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HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61 )

Canada. Parliament. House of Commons.  
"Special Committee on Broadcasting"

SPECIAL COMMITTEE ON

**BROADCASTING**

Chairman: MR. GEORGE C. FAIRFIELD)

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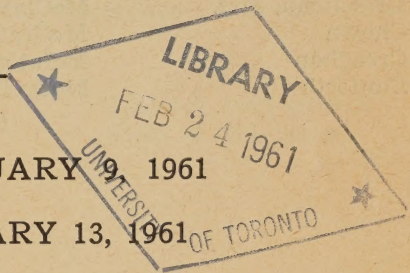
MINUTES OF PROCEEDINGS AND EVIDENCE

1960/61  
No. 1 - 32

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THURSDAY, FEBRUARY 9, 1961

MONDAY, FEBRUARY 13, 1961



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WITNESSES:

Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman;  
Mr. W. C. Pearson, Counsel, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961





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SPECIAL COMMITTEE ON BROADCASTING

Chairman: Mr. George C. Fairfield

Vice-Chairman: Mr. Louis Fortin

and Messrs.

Aitken, Miss  
Allmark  
Asselin  
Baldwin  
Bourbonnais  
Brassard (*Lapointe*)  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth

Drouin  
Fisher  
Forge  
Keays  
Lambert  
MacEwan  
Macquarrie  
McCleave  
McGrath  
McIntosh  
McQuillan

Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Calgary South*)  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
Clerk of the Committee.

~~HE  
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C2A28  
1960/61~~



## ORDERS OF REFERENCE

WEDNESDAY, February 1, 1961.

*Ordered*,—That a Special Committee be appointed on Broadcasting to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records;

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the Committee shall consist of 35 members;

That Standing Orders 66 and 67 be suspended in relation thereto.

FRIDAY, February 3, 1961.

*Ordered*,—That the Special Committee on Broadcasting, appointed February 1, 1961, be composed of Miss Aitken, Mrs. Casselman, and Messrs. Allmark, Asselin, Baldwin, Bourbonnais, Brassard (*Lapointe*), Caron, Chown, Creaghan, Danforth, Drouin, Fairfield, Fisher, Forgie, Fortin, Keays, Lambert, MacEwan, Macquarrie, McCleave, McGrath, McIntosh, McQuillan, Pickersgill, Pratt, Pugh, Richard (*Ottawa East*), Robichaud, Rouleau, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Tremblay, and Webb.

THURSDAY, February 9, 1961.

*Ordered*,—That the quorum of the Special Committee on Broadcasting be set at 10 members.

*Attest.*

LÉON-J. RAYMOND,  
Clerk of the House.

## REPORT TO THE HOUSE

THURSDAY, February 9, 1961.

The Special Committee on Broadcasting has the honour to present its

### FIRST REPORT

Your Committee recommend that its quorum be set at 10 members.

Respectfully submitted,

G. C. Fairfield,  
*Chairman.*

*Note:*

*The said report was concurred in by the House on the same day.*



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 238-S.  
THURSDAY, February 9, 1961.

(1)

The Special Committee on Broadcasting met at 10.30 o'clock a.m.

*Members present:* Miss Aitken, Mrs. Casselman and Messrs. Allmark, Asselin, Baldwin, Chown, Creaghan, Fairfield, Fisher, Forgie, Lambert, MacEwan, Macquarrie, McIntosh, Pickersgill, Pratt, Pugh, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Webb. (21).

The Clerk of the Committee in the chair to attend the election of a Chairman.

Mr. Chown moved, seconded by Mr. Creaghan, that Mr. George C. Fairfield do take the chair as Chairman of this Committee.

Mr. Pickersgill moved, seconded by Mr. Forgie, that Miss Margaret Aitken do take the chair as Chairman of this Committee.

Whereupon Miss Aitken declined, with thanks, the honour of being nominated.

On motion of Mr. Chown, seconded by Mr. Smith (*Simcoe North*), nominations closed.

And the question having been put on the proposed motion of Mr. Chown it was, on a show of hands, resolved in the affirmative on the following division: Yeas, 17; Nays, 3.

The Clerk of the Committee having declared Mr. Fairfield duly elected, the latter took the chair.

The Chairman, after having expressed his thanks to the members for the honour bestowed upon him, asked the cooperation of everyone in carrying out the work of the Committee.

The Chairman then invited nominations for the election of a Vice-Chairman.

Mr. MacEwan proposed, seconded by Mr. Asselin, Mr. Louis Fortin for the said post.

Mr. Pickersgill in turn proposed, seconded by Mr. Fisher, that Mr. J. M. Forgie be elected.

On motion of Mr. MacEwan, seconded by Mr. Chown, nominations closed.

And the question having been put on the proposed motion of Mr. Pickersgill it was, on a show of hands, resolved in the negative on the following division: Yeas, 2; Nays, 15.

And the question having been put on the proposed motion of Mr. MacEwan, it was, on a show of hands, resolved in the affirmative on the following division: Yeas, 15; Nays, none.



The Committee thereafter proceeded to deal with matters of routine.

On motion of Mr. Lambert, seconded by Mr. MacEwan,

*Resolved*,—That the Committee recommend to the House that the quorum be set at 10 members.

The question that the Committee asked leave to sit while the House is sitting was discussed at length. On the suggestion of Mr. Smith (*Simcoe North*), it was unanimously agreed that the matter be referred to a Subcommittee on Agenda and Procedure (Steering), after same has been appointed, for consideration and report.

On motion of Mr. Lambert, seconded by Mr. Chown,

*Resolved*,—That pursuant to power granted by the House in the Order of Reference of Wednesday, February 1, 1961, the Committee print from day to day, 1000 copies in English and 400 copies in French of its Minutes of Proceeding and Evidence.

On motion of Mr. MacIntosh, seconded by Mr. Creaghan,

*Resolved*,—That a Subcommittee comprising the Chairman, the Vice-Chairman and five other Members of the Committee to be selected by the Chairman, be appointed.

(NOTE: *The Chairman announced at next sitting that Messrs. Fisher, Fortin, McGrath, Pickersgill, Richard (Ottawa East) and Smith (Simcoe North) would act with him on the said "Steering" Subcommittee.*)

The Order of Reference of Wednesday, February 1, 1961, was read.

The Chairman informed the Committee that in compliance with the recommendations contained in the First Report of the Special Committee on Broadcasting at the Third Session of the Twenty-Fourth Parliament and dated July 28, 1960, the following briefs were now on hand and ready for distribution:

Board of Broadcast Governors, (*brief and addendum*).  
Canadian Broadcasting Corporation.  
The Canadian Association of Broadcasters.  
Canadian Federation of Agriculture.

The Chairman also informed the Committee that letters had been received from the following:

Mr. Blair Baillie,  
235 Normandy Crescent,  
West Vancouver, B.C.

Mr. K. J. Easton,  
Secretary,  
National Community Antenna Television Association of Canada,  
3010 Bloor Street West,  
Toronto 18, Ontario.

Mr. I. McNairn, President,  
Community Arts Council,  
570 Seymour Street,  
Vancouver 2, B.C.

Mr. I. Stewart, *SWITZER*  
Southern Alberta Television Limited,  
1578 Third Avenue South,  
Lethbridge, Alta.

After discussion, it was ordered that a distribution of the briefs be made forthwith and unanimously agreed to refer both briefs and letters to the Subcommittee on Agenda and Procedure for study and report to the Committee on best means to dispose of same.

It was also suggested and so ordered that the Clerk of the Committee obtain copies of Broadcasting Act, 1958, for the use of the Members.

*(A copy of each brief aforesaid and of the Broadcasting Act, 1958, was delivered either by hand to the room or placed in the mail box at the House of Commons Post Office of each Member of the Committee.)*

At 11.15 o'clock a.m., on motion of Mr. Chown, the Committee adjourned to the call of the Chair.

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HOUSE OF COMMONS, Room 112-N.  
MONDAY, February 13, 1961.

(2)

The Committee met at 11.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman and Messrs. Baldwin, Caron, Chown, Creaghan, Danforth, Fairfield, Lambert, McCleave, McGrath, McIntosh, Pickersgill, Pugh, Richard (*Ottawa East*), Rouleau, Simpson, Smith (*Calgary South*), Webb. (19)

*In attendance:* The Honourable George E. Halpenny, Minister without Portfolio. Dr. Andrew Stewart, Chairman, Mr. Carlyle Allison, Vice-Chairman, Mr. Robert Bernard Goulet, Member, also Mr. W. D. Mills, Secretary, and Mr. W. C. Pearson, Counsel, of the Board of Broadcast Governors.

The Chairman reported on the matters referred to the Subcommittee on Agenda and Procedure. *See verbatim report of today's proceedings, page 9.*

The Chairman introduced to the Committee the members of the Board of Broadcast Governors and officials of the board in attendance.

The Chairman of the Board of Broadcast Governors made a brief statement, following which the Committee proceeded to a section by section review of Chapter 22, 1958, An Act respecting Broadcasting, with Dr. Stewart, assisted by Messrs. Allison and Pearson, under examination.

During the deposition of Dr. Stewart, copies of all regulations and amendments thereto respecting (1) Radio and (2) Television were filed and distributed to the members present and forwarded to the rooms of those members of the Committee who were not present.

And the examination of Dr. Stewart still continuing, it was postponed.

At 12.55 o'clock p.m., on motion of Mr. Lambert, the Committee adjourned until 9.30 a.m. Thursday, February 16th.

Antoine Chassé,  
Clerk of the Committee.





MONDAY, February 13, 1961.  
11:00 a.m.

## EVIDENCE

The CHAIRMAN: Good morning, gentlemen. I have a few observations I would like to make.

First of all, we appointed a steering committee. They consist of Mr. Fortin, Mr. Fisher, Mr. Pickersgill, Mr. Smith (*Calgary South*), Mr. McGrath, and Mr. J. T. Richard (*Ottawa East*).

The steering committee met on Friday with the intention of getting to the business before the Broadcasting committee, to discuss the agenda, and so on.

Unfortunately, Mr. Fisher had to be absent, but he had been informed that a meeting was to take place, that a certain discussion would be held and decisions made. He stated then that he would be agreeable to any decision made by your steering committee.

Some submissions have been made. I did not receive them until after the sub-committee met; but at a previous meeting we had decided that the steering committee would look at these submissions and come to a decision on them.

So far we have not made any decision, because it has not been before the sub-committee.

Now, some difficulty has been encountered insofar as timing is concerned, in calling members of the different boards and groups before this committee to interrogate them.

First of all a decision was carried on about what we should do before this committee. It was decided by your sub-committee that with the approval of the committee we would, first of all, go through the act, both parts, item by item. If we have cooperation from the committee in so far as relevancy is concerned, then we hope that we can get through these three groups in a matter of six or seven meetings.

Then in the meantime the sub-committee will meet again and decide which group to call, in order to have a more detailed study and interrogation of all the facets of radio and broadcasting.

Because of the timing, as I mentioned before, it was decided to call them in the following order: first of all, the B.B.G., and the C.A.B.,—the Canadian Association of Broadcasters,—and then the C.B.C.

We also decided that if possible we would meet on Mondays from eleven to one, on Thursdays from nine-thirty until eleven.

I know that the office of the committee's branch has a great deal of difficulty in getting all these committees together, but we have been a little fortunate in that we are the first one really to get under way. So we think we will meet on Mondays, as I said, and on Thursdays from nine-thirty until eleven.

Now I hope—and it is the hope of the sub-committee—that we can finish with the B.B.G. by Monday, a week from today, because they have meetings all next week. We will meet with the C.A.B., starting on February 23, and possibly the 27th; and with the C.B.C. on March 2 and 6.

We have with us today the chairman and the vice chairman of the B.B.G., the Board of Broadcast Governors, and some of their other officials. To my immediate right is Dr. Andrew Stewart, the chairman. Next to him is Mr.

Carlyle Allison, the vice chairman. Sitting next to Mr. Allison is Mr. Bernard Goulet, who is one of the full-time members of the B.B.G. then comes Mr. Pearson of the legal branch, and Mr. Mills, who is secretary.

Now, ladies and gentlemen, I think you have had distributed copies of the Broadcasting Act.

Mr. ROULEAU: Mr. Chairman, If possible at this time I would like to welcome the new full-time member of the B.B.G., Mr. Bernard Goulet.

Mr. Goulet happens to be one of my constituents. I would like to offer him congratulations and my best wishes for a very successful term of office.

Mr. BERNARD GOULET (*Member of the B.B.G.*): Thank you very much.

The CHAIRMAN: Now, ladies and gentlemen, you have before you the Broadcasting Act, both parts. What is your pleasure? Do you wish to carry on in this way, or is there any discussion or any objection to the findings of the sub-committee and to its decision?

Mr. SMITH (*Calgary South*): Mr. Chairman, I assume that we shall take up the Broadcasting Act clause by clause in order to maintain some continuity?

Mr. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): Would Dr. Stewart have any preference? Would he care to make a short statement of introduction to us of his observations on the workings of the act, so that perhaps the members of the committee might have in mind his general thinking? Or is it preferred that we go into clause 1 or clause 2 right at the start, just without any outline or framework?

The CHAIRMAN: Are there any other observations?

Mr. RICHARD (*Ottawa East*): I think it would be preferable if the chairman of the B.B.G. would give us a general outline of the act and of his thinking concerning the act, if he so desires.

The CHAIRMAN: Then it is understood that if he does give us a statement, there will be no questioning particularly on that statement, and that we shall go right into the act section by section.

Mr. RICHARD (*Ottawa East*): Yes.

The CHAIRMAN: Is that all right Dr. Stewart?

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): Yes.

The CHAIRMAN: Well, if the committee desires this procedure, Dr. Stewart is quite willing to give us a short statement concerning the act and his impressions, and then we shall go right through the act item by item.

I now call on Dr. Stewart.

Dr. STEWART: As you know, the board has been in existence for two years. It has been the objective of the board during that period to make the act work. This seems to be our responsibility as an administrative board, and we have been occupied with that purpose.

I think our view as to a board is that the act is working, and that it is a workable act. We recognize some awkwardnesses, but it seems to us that these awkwardnesses arise basically out of the nature of our broadcasting system, that is a combination of a public part and a private segment, and that no re-arrangement of machinery would eliminate the problems which result from the nature of our system.

At this time we have no particular suggestions for any major changes in the legislation. As I have indicated we really have not approached our work up to this time from this viewpoint. We have been concerned primarily with making the act work. We have made one or two minor suggestions for amendment, and these can be dealt with as we deal with the act clause by clause.



We have referred to one awkwardness falling within the general area of problems which arise out of the combination of the public and private part. I think this is illustrated by the situation in Edmonton when the board was faced with an application by the corporation, as well as applications by private concerns. We think there is a difficulty here which we would be happy to discuss with the committee; but at the moment I think this is the only awkwardness which we have commented on and on which as a board we have any views at the moment.

The CHAIRMAN: If that is all, Dr. Stewart, we will go on to the act.

On section 1—Short title.

On section 2—Board of Broadcast Governors. Interpretation.

The CHAIRMAN: Are there any questions on the heading "interpretation"?

Mr. LAMBERT: Yes. What would be Dr. Stewart's view on the term "broadcasting", having in mind his experience with the interpretation of the word "broadcasting", in relation to the growth of community antenna installations, and secondly—and this may be the subject of a second question—what about telemeter?

Dr. STEWART: Subsection 2(b) which defines "broadcasting" does in fact raise the whole question of wired systems. We are prepared to go into this at length with the committee if you wish us to do so at this time. We are aware that there are representations which have been made to the committee on this matter. We, ourselves, have commented on it in our annual report. I should advise the committee that on the suggestion of the minister, Mr. Nowlan, the board set up a committee including representatives of the Canadian Association of Broadcasters, the Canadian Broadcasting Corporation and the Department of Transport as a committee on wired systems. That committee has held four meetings and at the last two meetings representatives of the national community antenna television association, the NCATA, were invited to sit in with the committee and did, sit, at the last two meetings.

As a result of these meetings there is a report in process. At the last meeting it was agreed to distribute a draft to the members of the committee and if they were substantially satisfied with the draft it would be unnecessary to call a future meeting. The draft was distributed and we have had comments which suggest that no further meeting of the committee is necessary. Some minor amendments in respect of the wording of the report are required, but the report is in this state and is therefore almost ready to send forward to the minister as a report from this committee. We have copies of this report on hand. In view of the fact that I believe the report should be made to the minister who suggested the committee be set up I do not know if it would be proper to discuss it now, but if it is proper we would be prepared to discuss the substance of this report.

The CHAIRMAN: What is the feeling of the committee?

Mr. PICKERSGILL: It does seem to me it is a very interesting and important subject. Obviously, it is of concern both to public broadcasters and private broadcasters. It is not in fact covered by the law as it now stands. It seems to me also, perhaps because I was the minister once, that I would not exactly like to have a report, that I asked to have made to me, made to somebody else before it was made to me. I think we really should allow the report to be made to the minister and give him an opportunity to exercise his judgment on the matter before the committee insists upon embarking on it.

There is one question which I might raise. I presume the committee has considered, or felt it necessary to consider, the question of whether or not this is within the competence of parliament or of the provincial legislatures?



Dr. STEWART: Yes. We have considered this. In the report there is a section dealing with the jurisdictional aspects of the problem.

Mr. SMITH (*Calgary South*): Did I understand Dr. Stewart to say that the report is made to the minister?

Dr. STEWART: Yes.

Mr. SMITH (*Calgary South*): Might I suggest, through the Chair, that the minister be contacted with a view to finding out whether or not the report can be made available to the committee.

Mr. PICKERSGILL: I think that is a good idea.

The CHAIRMAN: Are there any further questions?

Mr. RICHARD (*Ottawa East*): Is it agreed that wired systems are not covered by subsection (b)?

Dr. STEWART: That is right; they are not broadcasting.

Mr. RICHARD (*Ottawa East*): That is legally accepted?

Dr. STEWART: I believe so.

Mr. RICHARD (*Ottawa East*): It is?

Dr. STEWART: Yes.

Mr. PUGH: Were representatives from the wired systems organizations asked to appear at the very inception of this committee?

Dr. STEWART: No. The committee held two meetings and at the second meeting it was agreed in the committee that if the NCATA would accept an invitation to have their representatives sit in with the committee, it would be helpful. The invitation was extended to them.

Mr. PUGH: You say "sit". Were they members of that committee?

Dr. STEWART: No.

Mr. PUGH: Did they present a brief at the time?

Dr. STEWART: No. They did not present a brief. They did participate in the discussions with the committee.

Mr. PUGH: Were they asked to submit a brief?

Dr. STEWART: They were simply invited to attend the next meeting of the committee to enter into a discussion of the matter with us.

Mr. PUGH: Is it fair to say that the discussions took the line of questioning of these representatives by the members of the committee?

Dr. STEWART: No. They participated fully, in the discussions with us, on all aspects of the problem.

Mr. CHOWN: In summing up under section 2(b), is it the recommendation of this board, Dr. Stewart, that community antenna, which is a wired system, be included in the definition of broadcasting?

Dr. STEWART: No. The term "broadcasting" as defined in 2(b) does not cover the community antenna television service which consists of a large high gain antenna suitably sighted in order to bring by wire programs picked up from the air. For this reason community television service is defined as a receiving station and is so classified and licensed by the Department of Transport as a receiving station and not as a broadcasting station. The tele-meter type of operation to which Mr. Lambert referred is a closed circuit operation. In this case it is a wholly wired system as well but is a closed circuit and therefore is not broadcasting.

Mr. BALDWIN: Dr. Stewart, in your submission of June 29, at page 32, you refer to what might be a related problem when you say in the second paragraph:

The board has no authority to deal with studios of United States stations which may become established in Canada, e.g. in Estevan, Saskatchewan, if the programs are carried by wire from the studios to the transmitter site in the United States.

Are you indicating by that that it might be desirable to expand the meaning of "broadcasting" in section 2(b) so that this particular problem might be dealt with if thought necessary.

Dr. STEWART: I would have to anticipate the report of the committee in order to deal fully with that.

Mr. PICKERSGILL: There is another point in connection with clause 2 which was raised in parliament. It does not seem to have been dealt with really finally there, and it concerns whether the C.B.C. is a licensee under part (e) and whether C.B.C. stations require licences.

Dr. STEWART: I would have to defer an answer to this one, I think, to counsel. I understand there is a problem under the Radio Act here which does refer to the right of Her Majesty in the provinces but not in the federal field. But we have always assumed that the corporation was a licensee, and the corporation has always behaved as if it were.

Mr. PICKERSGILL: Well, the legal point was raised in parliament and it obviously would require either an amendment to the Broadcasting Act to override the Radio Act or at least to deal with a point in the Radio Act that is not dealt with, or an amendment to the Radio Act itself. I take it the board has experienced no practical problem.

Dr. STEWART: That is true.

Mr. PICKERSGILL: There have been some C.B.C. stations licensed or, at least, established since the establishment of the board of broadcast governors.

Dr. STEWART: Yes.

Mr. PICKERSGILL: Have they been given what is purported to be licences?

Dr. STEWART: I presume so. Applications come to the board by reference from the Department of Transport. They have been referred to us and, through us, recommendations have been made on them. After we make them usually we do not know what happens beyond that; but, as far as I know, they are licensed.

Mr. LAMBERT: In connection with that, I think if Mr. Pickersgill would take a close look at section 12 of the act he would note that it clearly defines how an application shall be dealt with. It does not say by whom or from whom. How can that bring into question whether the corporation is a licensee or not. The language there is quite clear that any application must be dealt with.

Mr. PICKERSGILL: You mean for a new station?

Mr. LAMBERT: For the issuing of a licence.

Mr. PICKERSGILL: But if, in fact, the C.B.C., being an agent of the crown, and therefore not requiring a licence, presumably wanted to take the bit in its teeth conceivably it might have the legal power to establish a station without reference to it—and I admit this is an academic point.

Mr. LAMBERT: Fairly sterile.

Mr. PICKERSGILL: But, as a matter of fact, if when this legislation was introduced in parliament it was intended to make the C.B.C. subject to licence and to these mechanical matters, and private stations on an equal basis, it should be tidied up in any revision of the act.

Mr. SMITH (*Calgary South*): Dr. Stewart suggested that he would like to defer this question to counsel and, perhaps, counsel's views should be put on the record.



The CHAIRMAN: Would you do that, Mr. Pearson?

Mr. W. PEARSON (*Counsel to the Board of Broadcast Governors*): Mr. Chairman, by part II of this Broadcasting Act the C.B.C. is declared to be an agent of Her Majesty and, as such, my understanding of the law is that unless specifically mentioned in the act, the crown is not bound. Under the Radio Act, which is the licensing act, there is a provision, namely subsection (2) of section 2 which makes the Radio Act applicable to Her Majesty in the right of all the provinces where they own and operate; but it does not make the crown in right of Canada subject to the Radio Act. I would be of the opinion that the legal point taken by Mr. Pickersgill is the correct one.

The CHAIRMAN: Are there any further questions on section 2? If not, we will proceed to section 3, subsection (1).

On section 3—Board established.

Mr. SMITH (*Calgary South*): Might I ask you, Dr. Stewart, if you are satisfied with the makeup of the Board of Broadcast Governors, not necessarily as far as personalities are concerned but in the numerical strength of them.

Dr. STEWART: I feel that we do need, for the purposes of the board, a representative body. By "representative" I mean not only, as it were, a cross-section of the community but rather a geographical distribution. We have found—and I suppose this is common in all matters affecting Canada—that it is particularly helpful to have the members from the outlying areas—and I would refer to British Columbia and Newfoundland in these terms.

Mr. PICKERSGILL: And Alberta.

Dr. STEWART: Yes.

Mr. SMITH (*Calgary South*): That is practically central Canada.

Dr. STEWART: We do find in practice—for example, at Vancouver, which seems to be a particularly cantankerous area—that if there are problems which arise, the broadcasters or whoever are affected immediately get in touch with the local member of the Board, whereas if it happened in Toronto they would pick up the telephone and call the Ottawa office. Therefore, a good deal of work does attach to the members in the outlying areas, and they have proved to be extremely useful. So, apart from the mechanical difficulties of getting a quorum—and we have made recommendations on this—we are satisfied with the size of the board and the representation on it.

Mr. SMITH (*Calgary South*): You say that you have made representations through the Chair; are you at liberty to state what they were?

Dr. STEWART: Yes. Under section 4 (3), which deals with a quorum, we have suggested that the number might be reduced from nine to eight. Eight is probably as small as it could be, as there are only fifteen members and if you had any less you would have less than half the members of the board. But, we have encountered difficulty from time to time in having a continuous quorum present. There are difficulties in connection with members leaving their occupations to come to the board meetings for protracted periods of time. Then there is sickness, and so on. Therefore, it would make it a little easier and provide for the possibility of a lack of a quorum if the number were eight as against nine. But, this is not a suggestion in regard to the executive committee of the board.

Mr. SMITH (*Calgary South*): I wonder if you have any comments on subsection (6) of section 3 in the light of what the C.B.C. submission is.

The CHAIRMAN: I wonder if you would defer that question, Mr. Smith, until we reach subsection (6).

Mr. SMITH (*Calgary South*): It is subsection (6) of section 3.

Mr. PICKERSGILL: Yes, it is subsection (6) of section 3. I did not think we were going to take the subsections separately.

Mr. CHOWN: And, subsection (9), where you swear on your oath that you will not hold any proprietary interest. This is a question as to whether it is unduly restricted as a result of what was said in the report and recommendations of the C.B.C.

Dr. STEWART: Yes. No, I do not believe we ever have really discussed this in the board, but certainly there has been no suggestion that this is an undesirable limitation.

Mr. PICKERSGILL: Has that been applicable? I do not know whether any problem has arisen; but has there been any suggestion to interpret that as meaning that anyone who had a general store in which he sold three or four radio receiving sets a year would be precluded from being a member of the Board of Broadcast Governors—because, in reading the language as it is, it does look to me as though that would be the case. I think distribution of radio apparatus has to be taken literally.

Dr. STEWART: Yes. We have not encountered this. None of the members of our board would be in that position. I do not think we have discussed it as a board or have anything to report on behalf of the board.

I am aware of a problem that arose in the case of the C.B.C., and my personal view in the case of a department store, where it would be a minor part of the total operation, would be that it is pushing things a little too far.

Mr. PICKERSGILL: I must say that I, personally, thought that way myself, that it probably would be quite undesirable to have as a member of the board someone who was engaged in the wholesale distribution of radio and television apparatus and virtually nothing else; but in the case of someone who happens to be a director of a company which incidentally has a lot of other business and only sells two or three sets a year, it seems, in view of other limitations we have put on the capacity to select people for boards of this sort, that it is unnecessary.

Dr. STEWART: I agree.

Mr. CREAGHAN: While we are on subsections (6) and (9) and because of what I consider to be the very, very harsh elimination of eligible personnel I was wondering if the doctor would at this time place on the record—and he would not need necessarily to read it out—the names, occupations and residences of the twelve part-time members.

Dr. STEWART: I can do that right now if you wish.

Mr. CREAGHAN: It could be tabled or you can read them out, if you wish.

The CHAIRMAN: I should think that it would be better to table them.

Mr. CARON: I would rather have Dr. Stewart read out the names.

Dr. STEWART: There is a Mr. Joseph F. Brown who is a part-time member from Vancouver. Mr. Brown is a florist operating a flower store in Vancouver. There is Dr. Mable G. Connell, Prince Albert. She is a practising dentist. There is Dr. Emlyn Davies, a Baptist minister in Toronto; Mr. Edward A. Dunlop, who is the executive director of the Canadian Arthritis and Rheumatic Society; Dr. Eugene A. Forsey, who is with the Canadian Labour Council (research) in Ottawa; Mrs. R. G. Gilbride, who is a housewife in Montreal; Mr. Ivan Sabourin, also of Montreal, who is a lawyer; Dean Hudon of Quebec city, who is dean of the faculty of law at the University of Laval; Dr. Colin D. MacKay, of Fredericton, president of the University of New Brunswick; Mr. Roy D. Duchemin, the proprietor of a newspaper in Sydney, Nova Scotia; Mr. Leslie



M. Marshall, a manufacturer's agent, St. John's, Newfoundland, and Mr. Louis Burge, who is in the potato growing and distributing business, from Prince Edward Island.

Mr. PICKERSGILL: There was one question, Mr. Chairman, that was raised when the bill was before the House of Commons, and that was a question as to whether the board would be dictated to by its full-time members. The recommendation of the Fowler commission was, of course, that there should be no full-time members, and that all the members of the board should be part-time members. This was one respect in which the government and parliament deviated from that report. My own opinion, for what it is worth, is that in this particular respect the government was right, and that there is, as has been proved, sufficient work to justify full-time members on the board. I am not, therefore, taking exception to that. I would like to make that clear. However, the point was raised that there would be a tendency for the full-time members to do practically all the work of the board, and that the part-time members would be largely ornamental. I wonder if there has been any consideration in that regard, and whether Dr. Stewart would care to make a comment at this time.

Mr. PUGH: You mean like back-benchers?

Mr. PICKERSGILL: Yes, like back-benchers.

Dr. STEWART: Numerically the position of the full-time members is quite strong. There are 12 part-time members of the 15-man board. As far as the executive committee is concerned, it consists of 7 people; 3 full-time members and 4 part-time members; so that at no time in the work of the board are the part-time members in a minority.

It seems to me that the significance of the participation of the part-time member depends on who he is, the amount of interest he takes in the work, and the relationship between the part-time people and the full-time people with respect to the position the part-time people have on the board.

As far as the personnel is concerned, the part-time members of the board have, in my opinion, exercised their responsibilities in a very commendable fashion. They do take a considerable interest in the work of the board and are willing to give the time not only required in attendance, but also the time, as the necessity occurs locally, in order to advance the work of the board. I think their participation has been commendable in this regard.

I think I can say also that the full-time members appreciate the contribution of the part-time members, and it has been our conscious desire to make them feel that they are a wholly active part of the board.

Mr. SMITH (*Calgary South*): Dr. Stewart, other than the activities as prescribed by the act, in relation to the executive committee, what particular responsibilities do you assign the part-time members? I am thinking in terms of the formation of subcommittees, or any other particular type of work they may do.

Dr. STEWART: Under section 9 (5) there is a provision for the board to appoint such other committees from among its members as the board considers desirable.

In the general organization which we set up for the board and its staff we have never really been able to get this operating because we do not have staff enough. But we did make provision for certain committees so that individual members of the board could be attached to the committee under the chairmanship of a member of the board, hoping that the individual members would take particular interest in some facet of the board's work. When the members come in they are given the opportunity to talk to the full-time member in the area rather than have them try to devote their time uniformly



over all aspects of the work. We have hoped that individual members might become interested in particular aspects but, quite frankly, this has not yet worked.

We have no other subcommittees of the board.

Mr. CHOWN: This is perhaps not the time to ask questions in regard to section 9, Mr. Chairman, but Dr. Stewart approached this in one of his recent answers; are the four part-time members of the executive committee unchanging?

Dr. STEWART: We have arranged to rotate them on a six month basis, our feeling being that each member of the board should have the opportunity from time to time to be a member of the executive committee in order to see that part of the board's operation. We rotate these members every six months.

Mr. ROULEAU: Dr. Stewart, can you tell the committee if the part-time members of the board attend the meetings regularly?

Dr. STEWART: Most of them do, yes.

Mr. ROULEAU: Would it be possible for you, Dr. Stewart, or for another member of the board, to give us the full information in regard to the attendance of the part-time members?

Dr. STEWART: Yes, we could do that, but we would have to obtain that information.

Mr. ROULEAU: Thank you very much.

Mr. PICKERSGILL: Does your board observe the honour system of attendance, as we do in the House of Commons, or is the attendance conducted on a recorded basis?

Dr. STEWART: For the purpose of keeping minutes we record those members in attendance.

Mr. McGRATH: On the basis of a year's operation how often did the executive committee meet; and could you also define the function or role of the executive committee of the board?

Dr. STEWART: Yes. We have indicated in our annual report the occasions on which the executive committee met. In the annual report at page 4 which, of course, refers to the fiscal year ending March 31, last year, it is indicated that between January, 1959, and February, 1960, we had eight meetings of the executive committee. We would, of course, have meetings of the full board in between and, with the exception of one occasion, all the meetings of the full board were meetings at which we combined the in camera meetings with a public hearing. It is our view that the requirement under section 4 (2), that the board shall meet at least six times a year, is just about right in order to carry on hearings without delaying applications too long, by having them lying around. We feel that we should meet about every two months. I am speaking of the full board, of course.

The main function of the executive committee meetings is to deal with share transfers.

Under section 103 (3) of the General Radio Regulations, there are a number of subsections of section 103 of the general regulations under the Radio Act and the Board of Broadcast Governors is brought in, an advisory capacity to the Minister of Transport. One of the matters that we have to advise on, is in respect to the issue of new shares in the licensed companies, or the transfer of shares. This has been referred to the executive committee by the full board, except in those cases where there is a presumption that the ownership or control of the licensee is changing. In that event it has been decided by the full board that it must come before the full board; it must be recorded in a public notice, and a public hearing held in regard to it. I am

speaking of where there is a presumption of a change in the ownership or control; but in all other cases the executive committee deals with this phase and is later ratified by the full board.

Mr. ROULEAU: In view of the fact that the work of this board is important and complex, do you not think it would be advisable to have a provision in the act to the effect that if a part-time member did not attend a certain number of meetings he should be automatically dropped?

Dr. STEWART: I find it difficult to set down a rigid piece of legislation, but there may be a case for this suggestion, although I think this is something that might be left to the discretion of the chairman.

Mrs. CASSELMAN: How long do these meetings last? Does that vary?

Dr. STEWART: The length of the meetings varies. I feel that the meetings will be shorter now than they have been in the past because second television applications involved quite long extended hearings, and having put them behind us, I would think they would be in the order of three or four days rather than as long as two and a half weeks. I might say that in the latter case it was difficult for members to be present all the time.

Mrs. CASSELMAN: Has this been taken into consideration in the attendance total?

Dr. STEWART: Yes.

Mr. PUGH: I was wondering, Dr. Stewart, whether any recommendations by the executive committee have been overruled by the board itself?

Dr. STEWART: No, not to my knowledge.

Mr. RICHARD (*Ottawa East*): Notwithstanding the general purpose of the act, I would like to have Dr. Stewart's opinion on this—would it not be a good thing to have in the board a representative member from the private stations and one from the B.B.C.?

Dr. STEWART: No, I do not think so myself. I have had this same sort of problem as the president of a university, whether the staff should be on the board of governors or not, and I would require a very long time to give you my best answer to this. But, I would say no. I should like to add, however, that we are, in fact, grateful for the experience Mr. Goulet, our new member, has. I think myself it was wise at the outset to set up the board consisting of people who had no previous commitments with respect to broadcasting. It is true, however, that we have lost something in this way from a lack of experience of broadcasting on the part of members of the board. Now that we have a couple of years behind us, I think myself the experience Mr. Goulet has had will be very helpful to the board.

Mr. SMITH (*Calgary South*): I think Mr. Rouleau's question was an interesting one. There is a question of attendance. I was wondering in relation to this rather vague term of "good behaviour" being applied to a member of the board whether, in your view, Dr. Stewart, this question of attendance would come under such a category?

Dr. STEWART: Yes, I would say that is possible.

Mr. SMITH (*Calgary South*): I should like to ask a further question. You have made several remarks in relation to the Broadcasting Act and the Department of Transport Act. I wonder have you any comment to make on the general relationships between the two acts—any problems of duplication or any suggestions in relation to possible changes in your own act and the Radio Act?

Dr. STEWART: We have made no such recommendation.

Mr. SMITH (*Calgary South*): I am only concerned generally whether you are satisfied with the relationship between the two acts.



Mr. PICKERSGILL: I think I should raise a point of order at this stage. I think Mr. Smith's question is a very good one to consider at the appropriate time but it has really nothing to do with section 3 of the act.

Mr. SMITH (*Calgary South*): I would be happy to defer it, Mr. Chairman.

Dr. STEWART: With reference to the words "good behaviour", these appear under subsection 3(2) and have reference to full-time members, and to the part-time members. However, in a general sense, I would think the words "good behaviour", whether in the act or not, would cover attendance.

Mr. BALDWIN: With reference to the question raised as to having broader participation in the board by C.B.C. or private broadcasters, I take it you consider you exercise a quasi-judicial function there?

Dr. STEWART: That is correct.

Mr. BALDWIN: And I suppose you feel it it would not be quite right to have members participating in your deliberations and decisions who are closely related to the people with whom you would be dealing?

Dr. STEWART: That is right.

Mr. CHOWN: I was just going to say it would be in conflict with subsections 6 and 9 of the act.

Mr. BALDWIN: Yes, I would say that.

Mr. PICKERSGILL: On the question of the removal of members of the board, subsection 7 makes it quite clear no member of the board could be removed except by parliament.

Mr. CREAGHAN: Regardless of good behaviour I have one question on section 3, subsection 2. Have any of the original twelve part-time members been appointed for less than the five-year term?

Dr. STEWART: No, all the members have been appointed for the full term.

Mr. ROULEAU: I do not want you to express any opinion upon the advisability of subsection 5 of section 3 but, since subsection 5 provides that a member ceases to be a member of the board on attaining the age of seventy years, I would like to know if you have any means of ascertaining the ages of any of the different members?

Mr. PICKERSGILL: You would have to check with the old age pensions administration.

Dr. STEWART: I hope it would be sufficient to say that we have on the agenda next week a request that all members of the board provide their birth certificates.

Mr. SMITH (*Calgary South*): You are going to end up, Dr. Stewart, with a situation where—if I read the act correctly—you are going to retire all the members at the same time. Would not that present a problem? Should not these terms be somewhat different so that you would have continuity between one board and another?

Dr. STEWART: Though I had nothing to do with it, my thought on this is that it was probably a good plan to give the initial members of the board the full term, in view of the fact that the board itself was a new one and would take time to get into the swing of things. However, I would certainly feel, if the board continues, the rotation principle should be introduced there at some time.

Mr. CREAGHAN: Would you not think that was the intention of subsection 3(2), that you should have staggered terms for continuity?

Mr. PICKERSGILL: This only applies to the first appointments.

Mr. CREAGHAN: If the rotation principle were followed, there would be a certain amount of continuity.

The CHAIRMAN: Are there any questions on section 4—head office and meetings?

Mr. CHOWN: The only question there was raised by Dr. Stewart himself when he suggested that the quorum could usefully be reduced from nine to eight. It should be on record as a recommendation on his part.

Mr. PICKERSGILL: I was just wondering how many vacancies there are—how many members of the board have retired?

Dr. STEWART: Two part-time members and one full-time member.

Mr. PICKERSGILL: That would very well take care of the point raised by Mr. Creaghan.

Mr. CHOWN: You may think this is a rather unsavory question at the moment but, could you tell us the names of any members who retired?

Dr. STEWART: Yes, Mr. Duhamel, who was the full-time member.

Mr. PICKERSGILL: He got a better job.

Dr. STEWART: Transmogrified, I think, is the word. Anyway he is now the Queen's Printer. That created a vacancy and Mr. Goulet was appointed in his place. Two other original members of the board who retired were Mr. Robert Stafford Furlong, of St. John's, and David Stewart of Charlottetown.

Mr. CHOWN: They retired by way of resignation?

Dr. STEWART: They resigned.

Mr. PICKERSGILL: Mr. Furlong became the chief justice of the province.

Mr. SMITH (*Calgary South*): He was well qualified in the first place.

The CHAIRMAN: Order.

Mr. PICKERSGILL: There was never any doubt about that.

The CHAIRMAN: We shall now deal with section 4.

Mr. McCLEAVE: I was wondering, Dr. Stewart, if you could comment on section 4, subsection (2), that the board meet at least six times each year. That seems to be a satisfactory arrangement?

Dr. STEWART: Yes, that seems to be a satisfactory arrangement.

Mr. LAMBERT: Dr. Stewart, I think you introduced the principle of meeting in various parts of the country. Was that for the purpose of hearing applications?

Dr. STEWART: For the purpose of hearing applications when the second television applications were being heard. In such cases we did hold hearings in the centres involved. However, it is not our intention to continue to cover the country with our public hearings, unless there is some special reason for doing so. After a year or two we might consider it advisable to hold hearings in other parts of the country but, at the moment, having completed the second television applications, and having covered the country with public hearings, we will, I think, continue to hold hearings in Ottawa for a time at least.

Mr. SIMPSON: Dr. Stewart, it is not your intention then to hold regular meetings in places other than Ottawa?

Dr. STEWART: No.

The CHAIRMAN: Shall we go on to section 5.

On section 5—Chairman and vice-chairman.

Mr. CHOWN: On page 4 of the submissions to our committee by the C.B.C., the recommendation is that the chairman of the board of directors shall be elected by and chosen from the directors at the annual meetings of the corporation, and his duties defined by the board. This, of course, only relates to the C.B.C.; but I was wondering if you feel whether there is any merit in the idea with respect to the corporation, or of bringing it into your own board?



I expect your answer on the subject would be that you are appointed by the governor in council but, would you care to comment on the suggestion by the C.B.C.?

Dr. STEWART: I am afraid I have no comment on the C.B.C. position.

There is the further factor in our own board that the chairman is full time and this, I would think, suggests that he be appointed rather than elected. If it is part-time, an election may be all right.

The CHAIRMAN: Are there any other questions on section 5?

Mr. CREAGHAN: Yes, Mr. Chairman. I wonder if the Chairman of the B.B.G. has any comment to make on the removal of the chairman or vice-chairman? I see under part 2 that the president or vice-president of the C.B.C. may be removed by the governor in council, while the remaining members of the C.B.C. board may be removed by the House of Commons or the Senate upon address.

In the case of the board, none of them, including the chairman or vice-chairman may be removed except by address of the Senate or House of Commons. There seems to be a distinction in the two parts, and I wondered if there was justification for that distinction.

Dr. STEWART: I am afraid I have no opinion on the C.B.C. aspect of it. We are certainly quite happy with the protection given to us in part I of the act.

Mr. CREAGHAN: I can realize that you and the vice-chairman and members of your board have ample protection as far as job security is concerned; but I wonder if under certain circumstances, such as having a stubborn chairman, that the board might be saddled; and because of the statute and of reluctance of a person to risk it with a full-time chairman for perhaps a period of five years, I wondered if that would be good for the nation.

Dr. STEWART: Frankly, I am not quite sure of all the procedures involved in an address to the Senate and House of Commons. I do feel most strongly that the appointees to this board are responsible to parliament, and I think that at any time parliament wants them to go, they should go. But I think the decision should be made by parliament.

Mr. CREAGHAN: I note that the same rule does not apply in the case of the C.B.C. president or chairman.

Dr. STEWART: I am sorry, but I have no views on that.

The CHAIRMAN: Are there any other questions?

Mr. BALDWIN: On that point, would this not be the distinction: that you have a judicial function like that of a judge, and can only be removed by address, whereas the C.B.C. has a more administrative function?

Dr. STEWART: There is that difference, yes.

Mr. PICKERSGILL: Certainly it would be highly undesirable I think for the government to be able to remove members of the B.B.G., because the bold conception of broadcasting in this country, which every government has subscribed to, whatever their conduct may be, is that broadcasting should be independent of the government, and that those responsible for it should be answerable directly to parliament and to no one else.

It would seem to be a most retrograde step to do anything that would weaken that concept.

The CHAIRMAN: Are there any other comments or questions on section 5? If not, let us go on to section 6.

On section 6—Remuneration.

Mr. CHOWN: Under section 6(2), Dr. Stewart, I note the words "while away from his ordinary place of residence". These words are commented upon in the C.B.C. brief, with the suggestion that it appears unduly restrictive in

that it prevents the director from being reimbursed for legitimate expenses incurred in the performance of his duties in the community in which he resides. Then it goes on to say that this obviously imposes a hardship on the directors.

Has there been any complaint in that direction by members of your board either full or part-time?

Dr. STEWART: I would not care to say there has been any complaint from them. However, while we do not feel strongly on this point I think we would concur in the view apparently expressed by the C.B.C. on the matter.

I referred to Mr. Brown in Vancouver where we have had a great deal of legal business to transact, and to which he has given a great deal of time.

However, our secretary has been discussing this with the comptroller of the treasury and we are hopeful that it will be possible to evolve some means of reasonable definition which can be covered here.

Mr. CHOWN: Do you propose to make a recommendation to the committee, or will it be possible to do so?

Dr. STEWART: Part of the problem is that it is easier, I think, to do this under 6(1) than it is under 6(2) as it is worded. After all, out-of-pocket expenses, let us say, of Mr. Brown for a meeting in Vancouver would be probably nil. It is a question that he has to be away from his business for this period of time. If he can be paid per diem under 6(1), I do not think that his out-of-pocket expenses are too serious in this case.

Mr. PUGH: He would have to be acting as a member of a committee.

Dr. STEWART: We would have to name him, I think, to a committee, and we are now proceeding to establish some arrangement whereby the board could name him as member of a committee at such a time as he was giving a substantial block of time to the work of the board.

Mr. CHOWN: You think that the problem can be solved without changing the act?

Dr. STEWART: My secretary advises me on these two sections, and while we have had difficulty with both of them, he thinks we could get this resolved.

Mr. LAMBERT: That would probably cover a situation where a board had held a meeting in the city of residence of one of the members, and where he might conceivably be tied up if there were hearings of, let us say, two weeks.

Dr. STEWART: Oh yes, we have had special hearings in Vancouver, as members of the committee well know, and Mr. Brown was named a member of the board for those particular hearings. In that case there has not been any question.

Mrs. CASSELMAN: I do not just get it clear about the defining of a committee; it is conceivable that a member might be doing a great deal of work around and about, and not actually be on a committee. Are they reimbursed for the actual days they spend working on facts and figures for it?

Dr. STEWART: Let me give you an illustration: Mr. Allison was out in Vancouver recently to meet with the radio station operators there. Mr. Brown sat in on this meeting with him.

We have submitted a request that he be paid his per diem for that day. Now, we cannot get that at the moment. But the longer I stay in Ottawa, the more I am inclined to believe that there are ways of getting things done, if you stay with it long enough.

Mr. CREAGHAN: Could not the example just given be supported by setting up a special committee under section 9(5)?

Dr. STEWART: No, apparently the full board would have to set this up. But we are considering asking the full board if the chairman may be given "



authority to name committees as they might be necessary, subject to later ratification by the board. We understand that this would satisfy the comptroller of the treasury.

Mr. PUGH: Why not under section 9(5)?

Dr. STEWART: Yes, but it says that "the board may appoint".

The CHAIRMAN: The full board.

Dr. STEWART: Yes; and if the chairman were permitted to set them up, if the full board approved that action later, the committee would be approved under section 9(5).

Mr. PUGH: Could not the full board delegate to the executive committee the power to set up committees as they saw fit, consisting of one or more?

Dr. STEWART: It could; the executive could do it, but really it is almost as difficult to get a meeting of the executive of seven members as it is to get a meeting of the full board. This is a sort of case where you have to act quickly, subject to later ratification, and if you get the later ratification you may get the approval.

The CHAIRMAN: Are there any other questions on section 6? If not, let us go on to section seven.

On section 7—Staff.

Mr. CARON: I wonder if Dr. Stewart could tell us how many employees there are under section seven?

Dr. STEWART: Thirty-one.

Mr. CARON: And how many of them are bilingual?

Mr. PICKERSGILL: Does the chairman consider himself bilingual?

Dr. STEWART: No, I am sorry, I do not.

Mr. PICKERSGILL: Does the vice-chairman consider himself bilingual?

Dr. STEWART: No, I am afraid we rely on Mr. Goulet, as usual.

Mr. McGRATH: While Dr. Stewart is looking for an answer, are these 31 employees exclusive of the full-time members?

Dr. STEWART: This figure includes the full-time members.

Mr. RICHARD: Are they all located in Ottawa?

Mr. PICKERSGILL: Were they all appointed under the Civil Service Act?

Dr. STEWART: Yes, sir, excepting the full-time members.

Mr. PICKERSGILL: They are officers, apart from employees; but I wondered how many of the employees were former employees of the C.B.C.?

Dr. STEWART: Four in the log examining section and one in the continuity clearance section. We withdrew from the C.B.C. five people who had been employed in similar activities with the C.B.C.

The CHAIRMAN: Are there any other questions? Oh, we have not received the answer yet.

Dr. STEWART: The answer is nine, sir. Shall we pass on then to section eight?

Mr. CREAGHAN: Do you find a staff of 30 sufficiently large to look after the important functions of the board?

Dr. STEWART: We have three vacancies which have been approved but not yet filled, and our position is that unless special problems were placed before the board, or there were a more extended view of our responsibilities than we see them now, we think this would be adequate. Our position is that unless special problems were placed on the board or there was a more extended view of our responsibilities than there is as we see it now, we think this would be adequate. By that I do not mean in certain respects we might

not be able to do better than we are doing, if we had more staff. I think, however, that one always is faced with this problem. In our opinion if we can fill these three vacancies we will be able to carry on the duties assigned to us.

Mr. CREAGHAN: What are the positions presently vacant?

Dr. STEWART: We have provision for the appointment of an assistant to Mr. Ross McLean who is in charge of program analysis and research. This position has to do with trying to keep in touch with what the stations are doing in terms of programming. There is provision for an assistant here. There also is provision for an assistant to Dr. Dawson who is the economist with the board. We need someone to help him with his analyses of the position of the stations. The third one is a clerk-2.

Mr. CREAGHAN: Of the staff of thirty how many are actively engaged full time in—for the lack of another word—policing the Canadian content of programming?

Dr. STEWART: I will ask the secretary to add them up.

The CHAIRMAN: Are there any other questions?

Dr. STEWART: I have the answer. There are seven. There are the log examiners, Mr. Pearson and Mr. McLean. Helping Mr. McLean there are two. For example, the forty-five per cent Canadian content is in the area of programming, and he becomes involved in this.

Mr. PICKERSGILL: They do not devote their time exclusively to this.

Dr. STEWART: No.

Mr. CARON: Could we have the names of those who supervise the French network?

Dr. STEWART: The assistant to Mr. McLean, we are hoping we will—and in fact will—fill with somebody who is not only bilingual but familiar with the situation in the province of Quebec and in the French network generally. This is the man we are looking for to work with Mr. McLean.

Mr. CARON: At the present time is there anyone supervising the programming in the French network?

Dr. STEWART: Not specifically.

Mr. McGRATH: In a previous answer you stated, Dr. Stewart, that the Canadian content was to be forty-five percent. Do you mean it has been decreased from fifty-five to forty-five?

Dr. STEWART: It has always been forty-five percent. It is going up to fifty-five percent in April, 1962.

Mr. PUGH: The term "policing" was used. I was wondering what form of report you get from the stations. Do they sign a statutory declaration or write saying they have a content of forty-five percent, or do you actually police them?

Dr. STEWART: In the television broadcasting regulations section 4 deals with program logs. Each station shall present to the board within seven days of the end of each week its program log for that week carrying the endorsement of the manager of the station.

Mr. PUGH: Do they state how much is Canadian content?

Dr. STEWART: This regulation becomes effective on April 1. However, instructions have been sent out to the stations as to how to complete our forms and to indicate the Canadian content.

The CHAIRMAN: I think the committee will forgive me if I say that we are wandering a little away from the sections. I would like to keep to the sections as we go along.



Mr. CREAGHAN: I think this has to do with staff.

The CHAIRMAN: Everything has to do with the staff, I admit. I think you will find it will be taken up a little later. Also we have for all members copies of the regulations. We will distribute those both for radio broadcasting and television later on and these questions can be asked when the B.B.G. is before us again.

Are there any further questions on section 7?

On section 8—Superannuation.

Mr. McCLEAVE: Dr. Stewart, you and the other full-time members having served your seven years, assuming that no re-appointment would be made, has it been calculated what superannuation would be paid? Here I have in mind the analogy with a judicial appointment.

Dr. STEWART: I am afraid I have not made this calculation, which may be an oversight on my part. The secretary tells me he has not either.

Mr. ALLISON: I made one once. Figuring it on the third member's minimum salary it came to \$17,000, but after seven years we would be entitled to \$2,100 per annum. After fourteen years it would be \$4,200. This is the only calculation I made.

The CHAIRMAN: Are there any further questions on section 8?

On section 9—Executive committee.

Mr. ROULEAU: Can you give me the names of the four part-time members of the executive committee?

Dr. STEWART: I will ask the secretary to tell me who they are at this time. They rotate.

Mr. ROULEAU: I would like to know the term of office of the part-time members?

Dr. STEWART: At the moment they are Mrs. Gilbride, Mr. Edward Dunlop, Dr. Forsey, and Dean Hudon.

Mr. DANFORTH: In subsection (2) of section 9 it states that the quorum of the executive committee is five. Do your meetings generally consist of only the quorum and if the quorum of five is present does it for the most part consist of one of the full-time members and four of the part-time members?

Dr. STEWART: It always includes three full-time members, if they are available—and I think they have been for all executive meetings. I think we have always had seven. At the last meeting we just had a quorum, but I think prior to that we have always had seven.

Mr. DANFORTH: It has been a general practice that three full-time members have been present at these executive meetings?

Dr. STEWART: Yes, except at the last one, which was an emergency one called in a hurry.

Mr. CHOWN: Would you give us the particulars of any committees existing under subsection (5) of section 9.

Dr. STEWART: We have named a number of what we call consultative committees. I am not sure that they come strictly under subsection (5) which says "from among its members". These are committees of the board. We have one with the corporation to which we refer as the consultative committee on public broadcasting. Then we have a standing committee with the Canadian Association of Broadcasters which we call the consultative committee on private broadcasting. As well, we have committees with the advertisers, the producers and perhaps one or two other groups.

Mr. CHOWN: Under whose direction and how do these committees meet? Do they meet in conjunction with a meeting of the whole board or the executive committee?

Dr. STEWART: No. They meet from time to time as seems desirable. Perhaps before a meeting adjourns we might say it would be well to meet before a certain date, and a meeting is set up for that time. Otherwise, Mr. Ouimet of the C.B.C. may call me and say he thinks it would be a good plan to have a meeting of the committee, or Mr. Allard of the C.A.B. may call me or I may call them.

Mr. CHOWN: Are there formal chairmen?

Dr. STEWART: I chair all meetings and all committees.

Mr. CHOWN: That is a good idea.

Mr. LAMBERT: In connection with the quorum of the executive committee have you had any difficulties with this number of five, where there were problems requiring immediate decision and you had difficulty in getting the quorum together? I am thinking particularly of during political campaigns and so on.

Dr. STEWART: We have difficulty under section 9 (3) with respect to a part of that, but otherwise we have not had difficulty. The board discussed the question of the quorum of the executive when it discussed the question of the quorum of the full board; and while they wanted to recommend a reduction in the quorum of the full board they did not want to do so for the executive.

Mr. BALDWIN: Subsection (3) of section 5 is one section under which the full board can delegate certain functions to the executive committee. You have already told us of one of the functions delegated. Could you tell us generally what other functions have been delegated by the full board to the executive committee?

Dr. STEWART: Formerly that was the only function.

I would like to refer to the difficulty which I mentioned. It is a very curious subsection to read, but you will notice it says that the executive committee shall exercise such of the powers and functions of the board as are delegated to it by the board, except the powers and functions of the board under subsections (11) and (12) and the provisions of section 13 other than paragraph (b) of subsection (4) thereof. This means that it would be possible for the full board to delegate powers under section 13 (4) (b) to the executive. However, this is not good enough because of the speed with which decisions have to be made here; and we in fact have to get an amendment to allow the chairman or his representative to deal with applications under section 13 (4) (b) because while we can delegate it from the board to the executive, it is not workable.

The CHAIRMAN: Are there any further questions under section 9?

Mr. LAMBERT: In that same connection is it thought perhaps that under subsection (5) the wording should be such that the board could grant certain powers to some of the committees it names. Under the wording here these committees seem to be quite powerless, and it would seem to me that the wording of section 9, subsection (5) should be somewhat similar to that of section 9, subsection (3).

Dr. STEWART: This certainly would be helpful. I do not know how much of it the board would wish to do, but it would be useful to have this provision.

The CHAIRMAN: Are there any other questions under section 9?

Mr. CREAGHAN: I have just one, Mr. Chairman. To what extent are the minutes of the board or the executive committee made public?

Dr. STEWART: They are not made public.

Mr. CREAGHAN: None of them?

Dr. STEWART: No; they are not made public.



The CHAIRMAN: If there are no further questions we will proceed to section 10, and I believe Mr. McIntosh had a question.

On section 10—Objects and purposes

Mr. SMITH (*Calgary South*): First, Mr. Chairman, on a question of order. In order to facilitate the examination under section 10, which is the broad objectives and purposes, and as this is related to Canadian content, I am wondering if perhaps we could not discuss at the same time the regulations the board has drawn up to support its objectives.

Mr. McINTOSH: Well, Mr. Chairman, my question was in connection with that.

The CHAIRMAN: As I stated, we now have copies of the regulations. I was wondering if it would be better to distribute these to the committee and, for the time being, pass over No. 10 and return to it at the next meeting, in order to give the committee an opportunity to study these regulations.

Mr. McINTOSH: Mr. Chairman, my intention in asking you the question at the present time is so that we will have some information from the board that we could work on between now and the next meeting. That is why I wanted to ask this question on section 10.

The CHAIRMAN: Well, gentlemen, what is the feeling of the committee?

Mr. SMITH (*Calgary South*): You have in the Board of Broadcast Governors report, which of course was distributed to us some time ago, an outline of the regulations with reference to one aspect of this; and this of course does not cover it entirely.

The CHAIRMAN: Well, what is the feeling?

Mr. PICKERSGILL: I have a question.

Mr. CHOWN: Mr. Chairman, I think the two questions should be put on the record. The one by Mr. Pickersgill may not be answerable immediately.

Mr. PICKERSGILL: It may not be, but perhaps Mr. McIntosh has a priority.

The CHAIRMAN: Perhaps we might dip our toes in the water and see how cold it is. Would you proceed, Mr. McIntosh.

Mr. McINTOSH: My question, Mr. Chairman, refers to the words "basically Canadian in content and character", and I would like Dr. Stewart to give the board's interpretation of that and to state for the record whether the interpretation applies to radio as well as to television.

Dr. STEWART: The regulations are published as television regulations, radio-TV broadcasting regulations, and the radio broadcasting stations regulations which apply to radio. So, we have two sets of regulations, one applying to radio and one to television. In reference to the phrase "basically Canadian in content and character" in section 10 and also in reference to section 11 (e), "for promoting and ensuring the greater use of Canadian talent by broadcasting stations", the board has a regulation prescribing that by April 1, 1961 television station programming shall consist of 45 per cent Canadian content, and at April 1, 1962, 55 per cent Canadian content. We have no similar regulation affecting radio.

We did mention some time ago our intention to review the radio regulations, and possible amendments are now under discussion, including consideration of Canadian content. However, at the moment there is no regulation referring to Canadian content in the radio regulations.

Mr. McINTOSH: My question was: What does the board accept as Canadian content?

Dr. STEWART: That is what I am trying to get at. This is set out in section 6 of the radio-TV broadcasting regulations.

Mr. Chairman, I would think that if you intend to return for a detailed consideration of the regulations, it might be well to give members time to read over this section, as it is quite long. However, it does attempt to set out how we are determining Canadian content.

The CHAIRMAN: Would you ask your question now, Mr. Pickersgill?

Mr. McINTOSH: Mr. Chairman, I have one more question. In connection with this definition of Canadian content—although I have not read this over—does it apply in the same way to radio as it does to television programming?

Dr. STEWART: No.

Mr. McINTOSH: It would be a different definition, then?

Dr. STEWART: This set of regulations refers only to television and there is no corresponding section in the radio regulations.

Mr. PICKERSGILL: In reading section 10, one could interpret it in one of two ways: one being that the function of the Board of Broadcast Governors is almost entirely passive in judging what is accomplished by the broadcasters to see whether it conforms with these definitions, and the other would be an active function of initiating and stimulating comprehensive broadcasting of a high standard which is basically Canadian content.

I would like to ask you this question—and you may not prefer to answer it at this time: Does the board consider it has any initiating function?

Dr. STEWART: In so far as “basically”, and as regulations can be positive rather than negative—and I think the Canadian content regulation is an illustration of a regulation which can have a positive effect—we have been gratified by the amount of activity and effort which is going on in order to try and meet the provision of Canadian content in programs as of April 1st. I do not believe this activity would have occurred in the absence of this regulation. So, there are types of regulations which can have a positive effect, although it generally may be that regulations tend to be negative in character. The emphasis in here generally is that the board shall regulate. There is an interesting aspect in the administration of a body such as ours as to how much you can do apart from regulations. Here I think it is not proper for the board to go much further than it is prepared to go in connection with the regulations but, on the other hand, there is an influence which the board can bring to bear apart from those regulations which does not need to have any effect if broadcasters do not want to follow it. It would not be by way of regulation, but rather something they may follow because of the known attitude on the part of the board.

Mr. PICKERSGILL: In that context, if I may ask a supplementary question, does the Chairman not think that the functions of the board, as he has interpreted them rather freely and off the cuff now, are somewhat different from those contemplated by the Fowler Commission where it seems, from a reading of that report, that the board would have quite considerable originating function—and I do not mean in reviewing programs but in suggesting to both public and private broadcasters the kind of programming that would be desirable.

Dr. STEWART: That may be so, but I would have to review the Fowler Commission report to be sure on this. However, I do think that a regulatory board or an administrative board should not be left too loose in this area. I think its duties and powers should be fairly well prescribed and that it should stay within the legislation.

Mr. PICKERSGILL: For example, one has seen one or two references to suggestions that the board has with certain types of radio stations rather



more than television stations concentrated almost exclusively on a certain type of broadcast. Would the board feel it had any power to suggest to these people that they ought to provide more varied diet for their listeners?

Dr. STEWART: Yes, we do.

Under section 10 which says:

—the provision of a varied and comprehensive broadcasting service—

We keep insisting it is the responsibility of the broadcasters to provide a varied and comprehensive service, and that it is impossible for individual broadcasters to be relieved of some of the responsibility, although looking at particular markets you may be satisfied that the general service is varied and comprehensive, with some degree of concentration in particular stations. By and large we have said that all stations have the responsibility under section 10 to provide and contribute towards a varied and comprehensive service.

Mr. PICKERSGILL: There are no specific regulations in this regard?

Dr. STEWART: There are no specific regulations in this regard, no.

Mr. SMITH (*Calgary South*): Dr. Stewart, when you set out your regulations, which, of course, the committee have had available to them through your report, you must have concerned yourself as to whether or not this stipulation, in regard to providing this objective in respect of basic Canadian content, would have an effect on the standard of programming in Canada. It is now only two months before your 45 per cent target date, and I was wondering if you have had any guide or indication of a lowering in programming in Canada as a result of these target dates?

Dr. STEWART: We have no reason to believe at the moment that it will be impossible to meet the 45 per cent Canadian content with an adequate standard of programming.

Mr. SMITH (*Calgary South*): I suppose you will have a better idea in this regard after your first target date?

Dr. STEWART: Yes.

Mr. McGRATH: Mr. Chairman, I am speaking from memory, but I understand that the regulatory section of the Canadian Broadcasting Corporation Act, prior to the coming into force of this act, provided for about 20 individuals in that division. I believe you said somewhere earlier, Dr. Stewart, that you had four people engaged in this aspect of enforcing the regulations in the broadcasting industry.

Dr. STEWART: I think I said we had taken five from the C.B.C., but there are one or two others that did not come from the C.B.C.

Mr. McGRATH: My question is; do you feel that it is within your competence to enforce the regulatory regulations of the act?

Dr. STEWART: Yes.

Mr. McGRATH: You are now in a position to do so?

Dr. STEWART: Yes.

Mr. McINTOSH: In respect of national networks, is there any regulation saying what the Canadian content shall be?

Dr. STEWART: The regulation applies to networks as well as to licensed stations, so that a network must provide 45 per cent Canadian content. This would apply to the corporation as well as any private network that might be established. However, it is, of course, a matter of record that the corporation network content is well in excess of 45 per cent.

Mr. McINTOSH: I wondered if you had any difficulty in regard to private stations in small communities where they are compelled to have a certain amount of local talent. You will appreciate that in a small community it would be much more difficult to obtain local Canadian talent than in a larger community, and you will be faced with a repetition of performers. Have you taken this situation into consideration?

Dr. STEWART: There is no qualification of any kind in respect of the regulations. They apply in every situation to licensed stations and to networks; it applies to small markets as well as to large markets. Our view in this regard is that the so-called first stations, if you like to differentiate them from second stations, are all affiliates of the Canadian Broadcasting Corporation, and in view of the high percentage of Canadian content on the network, the first stations—affiliates of the corporation—should not have any difficulty at all in meeting the overall 45 per cent.

Mr. McINTOSH: This applies, of course, to television?

Dr. STEWART: This applies to television.

Mr. McINTOSH: I understand there is a movement to have this regulation possibly apply to radio as well.

Dr. STEWART: We have no regulations in this regard at the moment. I would say, without hesitation, that the 45 and 55 per cent content are not applicable to radio. There is some considerable doubt in our minds as to whether it is best to approach the radio situation in terms of percentage of programming or in some other way. We are working on this problem at the moment.

Mr. McINTOSH: Thank you.

Mr. ROULEAU: In view of the repeated criticism in the House of Commons of members on the government side of the house concerning the high standard of broadcasting in Canada, would it be daring to ask Dr. Stewart if it is the opinion of the board that there is a sufficient coverage as far as the matters defined in section 10 of the act are concerned?

Dr. STEWART: I am afraid I cannot say anything else, obviously, than that we are satisfied in the sense that we do not feel that any more drastic action is necessary than the board may have taken here.

I think part of our problem is that it is a very complicated system, with the result that there are some stations in which the standard of broadcasting is better than it is elsewhere, and that it may be impossible to establish them all at the top level of the standard. However, having in mind the difficulties which radio is encountering at the present time in adapting itself to the change as a result of television, the board can feel perhaps that it has made some contribution towards the elevation of standards.

Mr. ROULEAU: I assure you, doctor, that I do not share all the criticism.

Mr. PICKERSGILL: I would like to ask Dr. Stewart a question supplementary to a question asked by Mr. Smith.

Supposing the case arose, and it does not seem to be to me to be much of a hypothesis, where in order to obtain the 45 per cent Canadian content the standard of broadcasting might, at any rate temporarily, be somewhat reduced; would the board feel it was desirable to have some reduction in the standard in order to obtain the 45 per cent Canadian content, or would the board feel that it would be better to have some imported programs with a lower Canadian content?

Mr. SMITH (*Calgary South*): That is hypothetical.

Dr. STEWART: The board is quite emphatic in respect of the application of the 45 per cent.



Mr. PICKERSGILL: You say that, regardless of what effect it may have on the standard?

Dr. STEWART: I do not know what is covered by "regardless", but within the limits that we think is likely to happen, if at all, in terms of depreciation of quality, yes.

Mr. SMITH (*Calgary South*): You are satisfied that your regulations are flexible enough that you will not have any problem meeting the 45 per cent?

Dr. STEWART: We do not think any problem will exist.

Mr. PICKERSGILL: You do not really think there will be any deterioration?

Dr. STEWART: That is right.

Mr. SIMPSON: I would like to ask a question which is not covered perhaps under section 10, but which we will have to deal with later. Has the board ever had the opportunity or the desire, or does the board think it desirable, to look into the type of programming which comes in over the antennae systems?

Dr. STEWART: No. We have understood that this was outside our jurisdiction.

Mr. PUGH: In the 45 per cent figure, in respect of Canadian content, is advertising included as a portion of that programming?

Dr. STEWART: No, sir.

Mr. PUGH: How many radio stations have gone "bust" in the last ten years?

Dr. STEWART: I am afraid I cannot answer that question.

Mr. PICKERSGILL: That is a very good question.

Mr. LAMBERT: Maybe not enough.

Dr. STEWART: I have not that information. I could try to find it for you. Presumably it does exist.

Mr. PUGH: I was looking for that information because I felt that it might be as well to have that figure now so that we will be able to compare it with the situation over the next ten years.

Mr. SMITH (*Calgary South*): I would like to ask Dr. Stewart how he arrived at the figure of 55 percent in regard to the "basically Canadian in content" portion of that section; was this an assumption?

Dr. STEWART: No, it was not quite as simple as that Mr. Smith.

Mr. SMITH (*Calgary South*): Obviously the board has to interpret the words "basically Canadian in content" in terms of some measurement.

Dr. STEWART: In this case we did it in terms of measurement of content. We took a look at what the C.B.C. was doing; we had discussions in regard to the prospects, and we understood from them that they were now providing a certain amount of Canadian content, and that it was their intention to increase this rather than reduce it. We did make inquiries about facilities for production in Canada in the light of talent and the amount of employment now being given to people who are professionals in this field, and it was a balancing of these factors that led us to picking the 55 per cent figure. We announced the 55 per cent figure, held public hearings, and there were many representations made to us that it might be difficult to meet this immediately. So we revised the regulations and provided a year at 45 per cent before going on to the 55 per cent.

Mr. DANFORTH: This is a supplementary to Mr. Smith's question. In arriving at your target of 45 per cent or 55 per cent, there must have been some basis to reason from—perhaps you carried out a survey? Could you tell the committee the approximate percentage that the board felt was the amount of

Canadian talent before the target date was set? In other words, before you reached this target of 45 per cent, what was your basic conception of Canadian talent?

Dr. STEWART: We got representations on this from the broadcasters at our public hearing and my recollection is—but bear in mind all the television broadcasters at that time were affiliates of the C.B.C. and were, therefore, getting the network service—my recollection is that under these conditions they were carrying between 45 per cent and 50 per cent Canadian content at that time.

The CHAIRMAN: I wonder if the committee do not feel they are getting a little deeper into the water now, particularly not having dealt with the regulations and the interpretation of them?

Mr. SMITH (*Calgary South*): Could I ask a further question, without dealing with the regulations?

The CHAIRMAN: After Mr. McCleave.

Mr. MCCLEAVE: I was going to ask, have there been any representations by T.V. stations to the effect that the 45 per cent or 55 per cent target figures were too high? Were there any protests from individual stations?

Dr. STEWART: I think that during our public hearings there were some representations at that time that the 55 per cent we were proposing then was too high, and this was one of the things which led us to amend it. I do not believe that we have had any direct or strong representations from anyone that the 45 per cent was unworkable.

Mr. SMITH (*Calgary South*): We agreed the object is highly commendable, the necessity of ensuring Canadian identity; but what about a situation where you have cities that obtain both programs from the United States and, of course, our own private and C.B.C. stations? I should make it clear I am talking about private stations. What about the situation where you are going to have them live up to the 55 per cent content and viewers have the alternative of American television coming into their cities? I assume a survey was made of the effect on listener ratings, the effect on revenues, the attitude of the subscribers and the persons viewing as to whether they would be inclined to prefer the American broadcast programs? I take it this was taken into consideration? Do I make myself clear?

Dr. STEWART: Yes, I think I get the general drift, and I would say the problem of the new stations may be more difficult in those situations in which there is competition from American stations. We did not make a survey of audience or listener reaction to second stations. However, we did get a very extensive volume of evidence on the part of the applicants that they had studied the market thoroughly in most situations. A number of them had done this and each of them was wholly convinced that was a reasonable argument.

Mr. PICKERSGILL: I take it that was before the licences were granted.

Mr. CARON: In speaking of regulations I just want to know what the committee intends. Do the members want to study the regulations in the act and then go through the new regulations presented to us? I want to know if they are going to be studied together. There are two sets of regulations—one in the act and the other a new set of regulations handed to us this morning. Are we going to study them together?

The CHAIRMAN: No, no.

Are there any other questions on section 10?

Mr. PICKERSGILL: I do not think, Mr. Chairman, that we should dispose of section 10 today.



The CHAIRMAN: Would you like it held over?

Agreed.

Mr. PICKERSGILL: When we have looked at these regulations, and at the proposed regulations which have not yet come into operation, there will be a good many other questions. There is, however, one other question and I do not want your answer today, Dr. Stewart. In answer to somebody else you stated that the Canadian content regulation would not cover advertising. I think that needs a little expansion. I assume you could not put on an advertisement that was Canadian and turn the American program running with it into a Canadian program solely by doing that. Does the 45 per cent or the 55 per cent proposed mean that 55 per cent of the advertisements must also be Canadian, or is there no regulation covering the national character of the advertising and also the high standard of the advertising? But, perhaps, I think that would be a question Dr. Stewart could reflect on between now and our next meeting.

The CHAIRMAN: I think, Mr. Pickersgill, you will find that in the next section.

Mr. LAMBERT: I would suggest we should adjourn, Mr. Chairman.

—The committee adjourned.









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HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

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THURSDAY, FEBRUARY 16, 1961

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WITNESS:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



# SPECIAL COMMITTEE ON BROADCASTING

Chairman: Mr. George C. Fairfield

Vice-Chairman: Mr. Louis Fortin  
and Messrs.

Aitken, Miss	Grenier	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Bourbonnais	Macdonnell ( <i>Greenwood</i> )	Richard ( <i>Ottawa East</i> )
Caron	MacEwan	Robichaud
Casselman, Mrs.	McCleave	Rouleau
Chown	McGrath	Simpson
Creaghan	McIntosh	Smith ( <i>Calgary South</i> )
Danforth	McQuillan	Smith ( <i>Simcoe North</i> )
Fisher	Mitchell	Tremblay
Forgie	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
Clerk of the Committee.

#### CORRECTIONS

On page 6—after the third motion from the top of the page—in the note written in *italics*, the name of Mr. Smith (*Calgary South*) should be substituted to that of Mr. Smith (*Simcoe North*).

At the bottom of the same page the last name should read Switzer instead of Stewart—the information in all other respects is correct.

## ORDERS OF REFERENCE

TUESDAY, February 14, 1961.

*Ordered*,—That the names of Messrs. Morissette, Grenier and Mitchell be substituted for those of Messrs. Asselin, Drouin and Brassard (*Lapointe*) on the Special Committee on Broadcasting.

WEDNESDAY, February 15, 1961.

*Ordered*,—That the name of Mr. Macdonnell (*Greenwood*) be substituted for that of Mr. Macquarrie on the Special Committee on Broadcasting.

Attest.

LEON-J. RAYMOND  
*Clerk of the House.*



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, February 16, 1961.

(3)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Allmark, Baldwin, Caron, Chown, Creaghan, Fairfield, Fisher, Keays, Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, McGrath, McQuillan, Mitchell, Pickersgill, Pugh, Richard (*Ottawa East*), Robichaud, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Tremblay, Webb—(25).

*In attendance:* Dr. Andrew Stewart, Chairman, Mr. Carlyle Allison, Vice-Chairman, Mr. Bernard Goulet, Member, also Mr. W. D. Mills, Secretary, Mr. W. C. Pearson, Counsel, and Mr. Ross McLean, Research Director—Program, of the Board of Broadcast Governors.

The Chairman drew to the attention of the members certain mistakes in the printing of the Minutes of Proceedings at page 6. (*See Corrections at page 35*). He also reminded the Committee of the recommendation of the Steering sub-committee on the procedure the Committee should follow and suggested this might be adhered to more strictly.

The Committee resumed from the preceding sitting the section by section review of the Broadcasting Act, 1958, with Dr. Stewart again under questioning.

And the examination of Dr. Stewart still continuing it was postponed until the next sitting.

At 11.00 o'clock a.m., on motion of Mr. Lambert, the Committee adjourned to meet again at 11.00 o'clock on Monday, February 20th, 1961.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

THURSDAY, February 16, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning gentlemen, I think we now have a quorum. I would like to introduce some of the new members but I do not see many of them here; however I will give you their names. They are Mr. Macdonnell, Mr. Morissette, Mr. Grenier and Mr. Mitchell.

There have been two mistakes made in the printing of the minutes of proceedings. On page 6 after the third motion from the top of the page, the name of Mr. Smith (Calgary South) should be substituted for that of Mr. Smith (Simcoe North).

At the bottom of the same page the last name should read Switzer instead of Stewart. The information in all other respects is correct.

Last week when we started the meetings of this committee I gave a report of an understanding which was reached by the subcommittee concerning the procedure we would follow in examining the different groups which are to come before us. It was my understanding, and I think possibly that of the rest of the members of the subcommittee, that we would go on with an examination of the act, or the two parts of the act, item by item. It was possibly my fault, or possibly that of some of the members of the committee who had not heard me make the statement; or perhaps it was not made clear what we were attempting to do. We intended to get the interpretation of the act by these different groups, and leave the reasons for and the manner of its interpretation in the past until an examination is made of the members of the whole body, thus completing that aspect of their interpretation of the act in two or three meetings.

I had thought that this might be a very good manner in which to familiarize the members of the committee with the act and the different ways in which these groups have interpreted it. I know this will create a very fine line in so far as relevancy is concerned, and I feel that questioning should not be confined except in so far as my understanding of the subcommittee's ideas in this regard. If my understanding is wrong, or if any other member of the subcommittee would like to add anything further to what I have said, then it is up to the committee to dispose of this problem. Otherwise I can see that we are going to get out into different fields and will not have properly introduced the brief. We will be practically stepping into the middle of a full examination of the B.B.G., and will not be able to hear from the C.A.B. and the C.B.C. until much later.

I would be grateful for the help of any other member of the subcommittee in regard to the interpretation of the subcommittee's intention in this regard.

Mr. PICKERSGILL: Mr. Chairman, I did not hear the beginning of this statement and I apologize for being late, but I would like to support in the most unqualified manner every word I have heard you utter. There was I thought a very firm decision made by the subcommittee along the lines you have suggested, which I personally appreciated very much because it seemed to me to be carrying out the recommendation of the committee made at its one meeting last session, and to be carrying out the undertaking which I always understood had been given by the Minister of National Revenue at the time the legislation went through.



Speaking for myself, I do feel that the most urgent thing for this committee to do is precisely what we were doing at the last meeting, and that we should continue with it, namely to go through the act clause by clause with the three organizations the B.B.G., the Canadian association of broadcasters and the C.B.C., as determined by the subcommittee. I realize the committee can reverse that decision but I think, unless it is formally reversed, we should adhere to the program that was laid down.

The CHAIRMAN: Is there anyone else who wishes to say anything in this regard?

Mr. SMITH (*Calgary South*): So there is no misunderstanding, Mr. Chairman, in the interpretation of your remarks, you were suggesting that we should have a stricter adherence to the principles of the interpretation by the board, and Mr. Pickersgill says he supports this. I gather that, while he says there is no disagreement between his opinion and yours, this is also your interpretation and we are thinking of exactly the same principle. I rather got the impression from your remarks that you thought we had, to a large degree, left the examination of the act itself.

The CHAIRMAN: No, that was not the tenor of my remarks at all except that it did occur in different places. It is very hard to determine where the line should be drawn in so far as relevancy is concerned. As I said, I do not want to confine the questioning, but I think if each member who questions will seek the assurance in his own mind that he is asking for information in respect of how this act is being interpreted by the B.B.G. chairman, then there will not be any necessity for me to call the member to order.

Does any member wish to make any further remark in this regard?

At our last meeting I believe we held over section 10 of the act for consideration, and I feel the members of the committee are now apprised of the information and the regulations which were handed around at the last meeting.

Are there any further questions in regard to section 10?

Mr. PICKERSGILL: I was looking at the proceedings, Mr. Chairman, which we have had printed, and I observe the suggestion made by yourself that the very last question which was put by myself to Dr. Stewart should really have related to section 11 rather than section 10. If that is the case I would not press for an answer until we reach the consideration of section 11, but it did strike me that what I was seeking to get at was not so much whether there were specific regulations with respect to the content of Canadian advertisements, but whether the board considered that it had any broad responsibility, (a) to determine whether the advertising, like the programming, was at least 45 per cent Canadian content; and (b) whether the advertising was, like the programming, of a high standard.

I must say that, on the Canadian content aspect, as is well known, there is a peculiarly outrageous situation. I do not know whether this prevails anywhere except Ottawa, but on CBO every morning for a long time it was the *Saturday Evening Post* we were enjoying before we got up; now it is the *Redbook* magazine, which I thought was extinct, I must confess, but apparently it is not. Then we get versions of some magazines mainly read by females.

I do not want anyone to misunderstand me. I am not advocating the exclusion of American magazines from Canada at all, but I do think that since the Canadian Broadcasting Corporation was set up peculiarly for the purpose of making sure that broadcasting was Canadian, and since presumably there are other advertisers besides these magazines which would be willing to pay for advertising at that time of day, that this is peculiar perversion of the principles for which it was set up. It is all the more ironical that at the very time we are doing this, the government has set up a royal commission to

inquire into the problem of maintaining Canadian magazines. However, it is not that particular situation to which we can direct the attention of the C.B.C.—

Some hon. MEMBERS: Question.

Mr. PICKERSGILL:—and the B.B.G., but rather the general question, whether the B.B.G. feels it has any responsibility in this field, about which I was anxious to have some view from Dr. Stewart.

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): In respect to the 45 per cent Canadian content we do not at this time intend to classify particular advertising as being of Canadian content. We have had from the producers who produce advertising material in Canada requests that the board should classify advertising as in fact we propose to classify programs. However, the board has replied at this point that they think it well not to do this at this time. We should like to see the more simple provisions of our present regulations put into effect and operating before we complicate the problem any further by getting into the classification of particular advertising. There is a case for doing this. It would be administratively very difficult to do. We think we would rather try out our more simple program regulation at the present time and take a look at advertising as such later.

We have not given any consideration to this matter at all and, apart from the regulation which we have, on which we are agreed, that the advertisement is not of an offensive or objectionable nature, we do not regulate what stations may carry in the way of advertising material.

Mr. SMITH (*Calgary South*): I am happy to hear this reply because I am putting this in the form of a question. Surely the question of Canadian content of advertising has to be directly related to the revenues these private stations receive? You, as the board, have to be responsible for the financial well-being of these stations and if we begin restricting on the basis of whether or not it is a foreign product this has a bearing on whether a station is going to earn revenues other than from the domestic market. I suggest that if you are going to regulate in that manner you are going to be in a position where you may impose a restriction on individual broadcasting companies from earning their incomes.

Dr. STEWART: I think it would be a substantial limitation to prohibit them advertising American products of any kind.

Mr. PICKERSGILL: I should like to ask a question supplementary to Mr. Smith's but of a more pertinent character. He began by saying that the B.B.G. had a responsibility for the financial well-being of broadcasting. Surely this is a nursery concept of the economy that Dr. Stewart would not support for one moment. At least I would hope not, and I should like to ask him if he does subscribe to the statement that Mr. Smith made, apparently as an axiom.

Mr. SMITH (*Calgary South*): I suggested that the board had a responsibility with regard to the whole of the broadcasting industry, and I am not going to make a speech like Mr. Pickersgill.

Mr. PICKERSGILL: I think this is a very fundamental question. Does the B.B.G. consider it necessary to make the kind of regulations that will put the most marginal station in a position where it will be impossible for it to make a profit?

Mr. SMITH (*Calgary South*): This is a complete distortion of what I suggested.

Dr. STEWART: The board is constantly confronted with the problem that if there is to be broadcasting at all, stations cannot operate unless revenues come in. It cannot operate unless its revenues cover its expenditures.



Mr. BALDWIN: On a point of order; are we, or are we not getting away from what you, Mr. Chairman, advised at the start of the meeting? Are we going to limit this to the board's interpretation of the various sections or are we now going to come back to the board and say to Dr. Stewart: What do you think should be done?

Mr. PICKERSGILL: I should like to say a word on this point of order. Surely when we are discussing objects and purposes no questions could be more pertinent than those Mr. Smith and I asked. We are asking if the board regard this, that or the other thing as coming within section 10 of the act. It seems to me, as long as we do that, we should not be restricted.

Dr. STEWART: I think the best answer I can give is that, in the main, the board has been concerned with the content of programs. Advertising is important but the main emphasis of the board is on program content. This seems to be our particular responsibility. Advertising is a method by which broadcasting is provided, but the content of it is subservient to the main problem of what kinds of programs are being offered.

Miss AITKEN: I should like to investigate this question of Canadian content. Have you any hard and fast rules with regard to that? For instance, if a show were produced in New York for Wayne and Shuster, with Canadian talent, would that be "Canadian content" even though it is being imported from the United States?

Dr. STEWART: I think the only place that could come in is where there is a special provision for programs of special interest to Canadians. It might be that a Wayne and Shuster show, if it were wholly a Wayne and Shuster show in the United States, might be considered of general interest to Canadians, but it might not be if it were a part of, for instance, the Ed. Sullivan show.

Mr. FISHER: What does Dr. Stewart know with regard to section 10, about the relationship between the C.B.C. and private broadcasting stations, in the financial sense?

Dr. STEWART: We have the affiliation agreements between the corporation and the private stations, and we are informed as to the basis on which revenue passes from the public network to the private stations.

Mr. FISHER: I should like to predicate a growing issue which was raised by one man who has a broadcasting licence, to the effect that the C.B.C. affiliates have a tremendous advantage over other people in the private sector.

Dr. STEWART: For two years I have been trying to get some conclusive answer to that question from the broadcasters and I cannot get it. I asked, is it a net asset or a net liability to be affiliated with the Corporation and I cannot get any conclusive answer to that.

Mr. FISHER: If you have the affiliation agreements and you have some idea of the financial returns—if money is the test—surely you would be able to determine it?

Mr. PICKERSGILL: May I ask is this related radio, not television?

Mr. FISHER: It is related to both.

Mr. PICKERSGILL: There is, in fact, no experience of television with non-affiliation, except for a week or two.

Dr. STEWART: I should think the question hinges on the alternatives. You have the time which is occupied with network programs, some of which are sold by the Corporation and the stations get revenues in that way. Then there are some programs which are sustaining. They do not get revenues from them and the time could otherwise be sold by the stations. These are alternatives. The stations could be better off, one way or the other. It is very difficult to give a definite answer to the question you have suggested. It is suggested to me that there is a nice balance between the two.



Mr. FISHER: Have you something to say in the actual agreements between the C.B.C. and its affiliates?

Dr. STEWART: This is, really, a very fundamental point. The board has taken the position that there are certain stations that are licensed as affiliates of the Corporation. There must, therefore, be an affiliation agreement between the Corporation and these stations. Supposing the negotiations between the Corporation and an individual station break down and there is no agreement, then the conditions of the licence cannot be met. This is where the B.B.G. must come into the picture, we think, and in our regulations we have provided for that situation. If an affiliate and the corporation do not reach agreement then the board must come in to see that agreement is reached. Inevitably, this could lead the board into consideration of the financial relationship between the corporation and the station.

Mr. FISHER: Let me go a little further on this point. You have opened the way for another network and it will also be establishing relationships with affiliates. Will there be any question of your taking into consideration the kind of agreement the private network will make with the private stations?

Dr. STEWART: We require that these be filed with us but, provided the agreements are satisfactory to the affiliates, and they are prepared to sign them with the network, this would be satisfactory to the board.

Mr. FISHER: I shall now come to the fundamental part of the question, that of money and expenses. If it costs the C.B.C. an average of \$100,000 to link up affiliates with the microwave, and there is some sort of arrangement under contract for this, I am suggesting that unless you have a similar kind of arrangement, and that you have some kind of control over arrangements between the private network and private stations, there is a possibility that the contention will be raised that the C.B.C. is subsidizing some entrepreneurs and others are not getting that service. This is a question, or subject, that I think could blow up into an issue.

Dr. STEWART: I would interpret this as coming primarily under part II of the act.

Mr. FISHER: If the corporation is under attack for the benevolence of its agreements with its affiliates from the other sector of private broadcasting, who is going to be the moderator, if not the B.B.G.?

Dr. STEWART: If there is disagreement between the network and affiliates, then I think inevitably it comes into the board's province. But if there is a question of the position of the corporation as such, it seems to me that this would come under part II of the act, and that it is not a concern of the board.

Mr. FISHER: I have no more questions at this time.

Mr. PUGH: Have you received any complaints yet along the lines you are mentioning?

Dr. STEWART: I think the best way I can answer that is to say that the corporation—I am referring to the corporation's relation with its affiliate stations—has now completed affiliation agreements with all of its affiliates except one, and that agreement is coming up for consideration at a meeting of the board next week.

Mr. PUGH: I was wondering if there were any complaints from non-affiliates along the lines of the previous question?

Dr. STEWART: We have no complaints.

Mr. PUGH: So this is a projection for the future of this last line of talk?

Mr. FISHER: That is correct. I said it was a projection based really on Mr. Bushnell's statement which looked to me like a preliminary whistle. At least, that is all I thought it was.

Mr. PUGH: Apart from specific complaints—and you have said that you have none—has there been any background chatter which would indicate that this was coming up?

Dr. STEWART: Yes. Perhaps I overlooked the fact that we have had communication from Mr. Bushnell on the question of the rates of C.B.C. stations, and that we have had similar representations from the Halifax station.

Mr. PUGH: You mean along the line that you were possibly subsidizing affiliates of the C.B.C.?

Dr. STEWART: On the ground, I gather, that they felt the new rates established by the corporation were discriminatory and, I presume, involved some degree of subsidy.

Our reply in both cases was that this was not within our province.

Mr. PUGH: Has this been a subject of discussion by the board?

Dr. STEWART: Yes.

Mr. PICKERSGILL: I wanted to ask a similar question, but with respect to radio broadcasting and not with respect to television, which, after all, is purely hypothetical yet, it seems to me.

But in the radio field for a long time there have been private stations affiliated with the C.B.C., and other private stations which were not. Have the board received any complaints from the non-affiliated stations that the affiliated stations were in a preferred position?

Dr. STEWART: No.

Mr. PUGH: My previous questioning applied to radio stations as well as to television.

Mr. SMITH (*Simcoe North*): Would not the matter of what the C.B.C. affiliates are charged occasionally be a matter for the C.B.C. to justify to the government each year when they are preparing their budget supporting their annual deficit?

Mr. PICKERSGILL: I suggest that is a question which should come under part II.

The CHAIRMAN: I do not think the chairman of the B.B.G. should be asked to answer that question. Are there any other questions? I think we are on sections 10 and 11.

Mr. CREAGHAN: May I get an interpretation of this. I have not read the regulations through, but I have been looking at them for a few moments, and I see that in so far as Canadian content is concerned—am I right in assuming that these words only have application in so far as television broadcasting is concerned?

Dr. STEWART: That is right.

Mr. CREAGHAN: But to date you have made no effort to regulate the Canadian content in respect to radio broadcasting?

Dr. STEWART: That is right.

Mr. CREAGHAN: Have you any intention of regulating the Canadian content of radio broadcasting?

Dr. STEWART: Yes. We announced some time ago, well in advance of the December meeting of the board, that we proposed to review the radio regulations; and we indicated that there were four areas of concern to the board, one of them being Canadian content.

We had preliminary representations on this statement of policy at the December hearing, and we have deferred action on this for further consideration of the matter, and discussion with the different people involved.

The CHAIRMAN: Are there any other questions on sections 10 and 11?

Mr. CHOWN: Arising out of that, what were the other three areas of concern that you have expressed?

Dr. STEWART: We have expressed concern about certain aspects of station promotion, particularly contests, giveaways, and gimmicks of that kind.

Secondly, we have expressed concern about the effect of frequent advertisements on the general programming of the station. For instance, if you have a spot announcement every 2½ minutes, that does not leave much time for straight programming during the time.

The third point was that of variety programming, which was raised as a question last time, and we clearly indicated that we were seeking ways and means of insuring greater variety in programming.

The last area was that of Canadian content.

Mr. MACEWAN: I wonder if Dr. Stewart would care to comment on the meaning in the regulations of "Canadian content"? I refer to item 4-(e) which says:

(e) broadcasts of programs featuring special events outside Canada and of general interest to Canadians;

Dr. STEWART: Yes. I refer to this subsection in reply to a question from Miss Aitken, I think.

When we released the statement of these new regulations, we cited a speech by the president of the United States—or, I suppose, now Mr. Kennedy—something of this kind; or we might use the illustration of the World Series, which is of a great deal of interest to Canadians; and we said that in special cases under these circumstances these programs might be given a Canadian qualification.

Mr. FISHER: I have a question which goes back, and one which enters a new field. It was not the practice of the C.B.C. to reveal to parliamentary questioners details of any financial arrangement that might take place, although we know from our experience with this committee that the committee itself could compel such revelations.

What is the view of the B.B.G. on this and what is its role in providing information to members of parliament on financial arrangements and on information that comes to it?

Dr. STEWART: On the financial returns from stations, we have taken the position that the individual returns are private information to the board.

Mr. FISHER: I am looking at an article in Executive Magazine entitled Broadcasters Stunt A Fat Goose, and I want to ask you if this particular author, Dean Walker, interviewed any of your people about it?

Dr. STEWART: Not to our knowledge.

Mr. FISHER: I was curious about where he got his information.

I would like to turn now to regulation 11 (f) and I wondered if you had considered the possibility of altering this regulation. It says:

(f) requiring licensees to broadcast network programs of public interest or significance;

What is your distinction between network programming and programming which the station itself would originate? Why should it not be required as a licensee, if it is an originating station with its own station—why should it not be required to broadcast programs of public interest or significance?

Dr. STEWART: I thought we had in fact included this in our regulations. No, I am looking at regulation 12.

Stations may be required to broadcast network programs of public interest or significance as determined by the Board.



I think all I can say is that we have been considering this part as requiring individual stations to do this.

Mr. FISHER: Is my understanding correct in this; that if a second television station came before you, they would give you an undertaking as to what they planned to do? Is that correct?

Dr. STEWART: Yes.

Mr. FISHER: I noticed one station. I noted from looking at your hearing reports that one station gave an undertaking on broadcasting certain network programs, with certain programs of its own of public interest and significance especially in the field of public affairs and educational television.

This seemed to be an important factor in the considerations which you gave. How are you going to determine and hold these stations to their promises if you have nothing in your regulations that would require them to carry out what they promise?

Dr. STEWART: Well, we have always taken the position that the promises made at the time of an application do in fact represent commitments on the part of the applicant and that if he is successful these become, in a sense, conditions on which he has obtained his licence. In fact we have advised the second television stations that, in view of the fact that they have started up in the middle of a season, this season we are not going to test their performance against their commitments until September of this year. As of September, 1961, however, we will check the performance of these stations against the promises which they made at the time they appeared before the board.

Mr. FISHER: What would be the situation if you had an indication right now that one of these new licensees had completely turned its back on an undertaking it had given.

Dr. STEWART: At the present time, until things get settled down and we are into the programming for the next season, the board is enforcing the forty-five per cent Canadian content; but I think that is as far as we are going until September.

Mr. FISHER: So these stations, like the new one in Montreal, would be quite safe in ignoring the pledges they may have made in respect of the format that was set out.

Dr. STEWART: I would not put it quite that way. We have said that we understand the problems involved in getting started this year and will not in fact test their performance. I think it would be very unwise for a station to assume that it can choose to forget all about its promises and assume that there would not be some repercussions.

Mr. FISHER: If I came to you with information concerning a particular station it would likely be investigated rather than let go until September when it would be caught up in the generality of your search.

Dr. STEWART: Yes. As of April 1, when the log forms come in to give us the information on the Canadian content, we will be taking a look at what these new stations are doing.

Mr. FISHER: This is a more blatant example than the log.

Mr. BALDWIN: Do you not consider that section 4, subsection 6 of the radio (TV) broadcasting regulations of December 9, gives you the authority which Mr. Fisher suggests you would have. It says:

Each station shall furnish upon request of the representative of the board such additional information in connection with its activities as the board considers necessary for the proper administration of the act and these regulations.

Do you not think you have ample authority?

Dr. STEWART: Yes. We have never had trouble getting the information sought.

Mr. SMITH (*Calgary South*): Dr. Stewart, in your regulations with respect to advertising on political broadcasts you place certain prohibitions to which, as a candidate for political office, I have never objected. However, this prohibition does place certain penalties against one medium as compared to another. I would be interested in your interpretation of this section and the course the board takes in respect of the criticism.

Mr. PICKERSGILL: May I raise a point of order with regard to this question by Mr. Smith. He is referring, if I understand it correctly, to the forty-eight hour rule which is, of course, a statutory provision in the Canada Elections Act, which the B.B.C. could not do anything about if it wanted to, and which parliament at the last session re-affirmed.

Mr. SMITH (*Calgary South*): In spite of that, would Dr. Stewart comment?

Dr. STEWART: We have in fact, in our letter to Mr. Lyons, commented on the act, commented on this section, and have suggested for consideration certain amendments. The first two refer to the advertising and sponsorship announcement statements, and the third to the forty-eight hour black-out. The board considered these, and has in fact put itself on record as recommending these changes. We appreciate that the forty-eight-hour black-out was considered by the committee on privileges and elections—

Mr. PICKERSGILL: And by parliament.

Dr. STEWART: —and by parliament, and decided not to change it. The board, however, is on record as indicated here.

Mr. SMITH (*Simcoe North*): In respect to section 11 (1) (c) relating to the time that may be devoted to advertising, when a station advertises a program that is going to be heard maybe that day or the next day—and this particularly refers to television—and also identifies the sponsor of the program and perhaps gives a short preview or excerpt, is that considered advertising within your regulations?

Dr. STEWART: Yes.

Mr. PICKERSGILL: As this may be very helpful to the committee I will ask Dr. Stewart if he would go through section 11 and indicate in a broad and simple way what regulations are made in respect of each of the lettered parts. I would like to get to the spirit of the regulations. I think some of these things are not regulations at all.

Dr. STEWART: Section 11 (1) (a) is in respect of the minimum broadcasting times to be reserved for network programs by any broadcasting station operating as part of a network. We have no regulation governing this. We have indicated that in approving an application to form a private network we would expect a minimum of twenty hours per week; but we have no regulation.

Mr. PICKERSGILL: And there is no regulation as to the time at which affiliates should broadcast what they receive from the network.

Dr. STEWART: No, sir.

Mr. FISHER: And there are no regulations regarding the type of program that should go on, for example, at peak hours.

Dr. STEWART: No.

Mr. SMITH (*Simcoe North*): Any regulations as to Canadian content would over-ride any regulation regarding the amount of network programming that was required.

Dr. STEWART: That is right. The Canadian content regulation applies both to the station and to the network.



Section 11 (b) is in respect of standards of programs. I think the only regulations applying to this are found under regulation 5 of the radio (TV) regulations. No station shall broadcast anything contrary to law, any abusive comment or abusive pictorial representation on any race, religion or creed; any obscene, indecent or profane language or pictorial presentation; any false or misleading news, and so on. I think these are the sections which apply.

Mr. FISHER: Recently at the lakehead we had a visit from one of the members of your board. I think one of the newspapers generalized what he said by saying that he put the fear of the Lord into the radio stations there. Was this the statutory base for his action—section 11 (1) (b) respecting standards of programs.

Dr. STEWART: From time to time there are areas in which the board gets a flood of complaints from listeners. This has happened at the Lakehead from time to time and recently to a very considerable degree. It was for this reason it was arranged that Mr. Allison should visit and talk to the stations to see if, by presenting to them the problems contained in these complaints which were sent to the board, it might be possible to get the stations to modify their programming.

Mr. FISHER: Do I take it that most of the people who write can expect or anticipate that you do have some real say as to the character of the individual stations.

Dr. STEWART: They certainly do, yes.

Mr. FISHER: And you are accepting that assumption.

Dr. STEWART: We accept the responsibility. As I said the other day basically our powers are to regulate, but I am not prepared to say that there are not other ways in which the board can legitimately influence the operation of the stations.

Mr. McCLEAVE: What happens when a station does broadcast profane language?

Dr. STEWART: We have always taken up the matter with the station and have brought it to their attention. Usually, I must say, that the management has hardly been aware that this has happened. It creeps into a station program. We have taken it up with them on a number of occasions and after drawing it to their attention have asked them to be more careful in the future.

Mr. McCLEAVE: In connection with any other breaches of Sec. (5) TV and Sec. (5) radio regulations, is there given an admonition not to do it again, or have you wider powers?

Dr. STEWART: We have, but we have not felt it necessary to exercise them.

Mr. BALDWIN: There is summary conviction, is there not?

Dr. STEWART: Yes, under section 18, and we have power of suspension under section 15. I would like to comment on these powers of the board at some time, but possibly you would prefer that I do it later.

Mr. FISHER: I have a question under section 11 (b) and it concerns regulation (5) (h). I would judge that this particular regulation is not very well honoured. I know I have broken it myself, and I imagine quite a number of others have. Could we have an indication from you as to how steady the requests are which come in for this consent?

Dr. STEWART: I do not believe we receive a very large volume of requests. We dealt with one the other day in Vancouver. Counsel advises me we do not get too many of them, but reminds me that particularly with respect to churches and religious bodies we have had to take action to stop certain types of programming.

Mr. FISHER: Are you referring to American?



Dr. STEWART: Yes, the syndicated show coming in from the United States, asking for donations in one way or another.

Mr. FISHER: Let me indicate a few cases where I know this breach has taken place. I have breached it by going on the air, both on television and radio, and asking my supporters to send in money to support my political campaign.

Mr. SMITH (*Simcoe North*): Well, that would be a recognized charitable institution.

Mr. FISHER: There are quite a number of hockey and sports clubs campaigns going on all the time in our constituency for subscriptions to the nation's health and things of that sort. I suggest that you have something here that you really cannot police, and to which no one will pay attention.

Dr. STEWART: This question came up on Monday, Mr. Fisher, and I took the position at that time that we could, with the staff we have, do a reasonable job of policing. I admit it is not a complete job, but we would need a very substantial staff to do that. The fact of the matter is, to a considerable extent, because of the nature of the logs and the infrequency with which we can do monitoring of stations, we have to rely on complaints to find out when breaches do occur. This is not always so, but to a considerable extent. There may be situations with which we are not aware.

Mr. FISHER: May I suggest that you look at the brief presented to this committee by the C.A.B. They have page after page of what they call their sub-public service features. A tremendous number of the public service broadcasts they have put on in support of organizations would not come under section 8. I suggest that you look at that.

Mr. PICKERSGILL: Are we still on (b)?

Mr. SMITH (*Simcoe North*): In connection with 5(h), do you keep any register of recognized charitable institutions, such as the Department of National Revenue do, or do you require any pre-registration or pre-notification before it becomes a recognized charitable institution?

Dr. STEWART: No, we do not. I think our general approach here—and it is the same with programming—is that we have regulations, and we do not veto programs beforehand. We do not censor them, or say you cannot do this or that. We say that the station shall not do this. Now, if the station does it, it is subject to whatever penalty is prescribed.

Mr. SMITH (*Simcoe North*): It is not considered necessary to keep such a register or approved list?

Dr. STEWART: We have not considered it.

The CHAIRMAN: Did you have a question, Mr. Pickersgill?

Mr. PICKERSGILL: No. I was going to say that I hoped we would not get away from the summary of these, but Mr. Smith's question was on that, and I apologize.

The CHAIRMAN: Are there any further questions on this? If not, (c) is next.

Dr. STEWART: (c) is with respect to the character of advertising and the amount of time that may be devoted to it. This is covered under 8 of the TV regulations, under advertising content, and by 9, under advertising generally. Then, under 10 and 11 we have the particular types of advertising.

This covers both the amount of time and the character of advertising. A great deal of the board's time is involved in the administration of food and drug advertising, and all this copy has to come to the board. It is passed by the board to the Department of Health and Welfare. They approve it for accuracy and reliability of information. The board checks it for good taste, and then it is approved or not approved, and a number is given to it.

Mr. CARON: Has that always been the situation? Has the Department of Health and Welfare always looked over this—and I ask that question because I have seen so many of them which do not seem to be quite accurate.

Dr. STEWART: This always has been done, and it has not been changed since the board came into being. It is the same regulation as before, and, as far as I know, the procedures of the Department of Health and Welfare are the same. They do, in fact, check every advertisement.

Mr. CARON: It is submitted always to the Department of Health and Welfare.

Dr. STEWART: Yes.

Mr. CARON: So, if we have any complaints to make, we do not make them to the B.B.G. but to the Department of Health and Welfare?

Dr. STEWART: Well, we will share the responsibility.

Mr. CARON: You will share the responsibility?

Dr. STEWART: Yes. I can assure you that there is a great deal of the copy which is changed by the department. I see copies of every letter which goes out of the board office, as do the other members of the board. Also, I see all the changes that are made, and I see the complaints that come back from the advertisers complaining about the changes which the department has required them to make.

Miss AITKEN: As I understand your explanation, that procedure is followed before it is used. It is vetted before it is used.

Dr. STEWART: It is required to be submitted in advance so that clearance can be given before it is used.

Mr. FISHER: In connection with (c) I am interested in regulation 8, the number of spot announcements. How old is this particular regulation, and how is it working out?

Dr. STEWART: Section 8 (2) was amended by the board. Shortly after we came into being we felt it necessary to review the existing regulation, as quickly as possible and to make any changes we thought should be made. And, we did change this one. This is a difficult one to administer and, from time to time, there are excesses in the amount of advertising. Sometimes it is not possible to determine this from the log, but we have occasionally, and as far as resources will permit, done monitoring of stations, and when we monitor stations we have a better chance to check what is being done in terms of excess advertising. If there is excess advertising we take it up with the station.

Mr. KEAYS: What punitive measures do you take against stations who have broken this regulation?

Dr. STEWART: We have not taken any punitive measures as such up to this time.

Mr. KEAYS: Well, what punitive measures would you contemplate?

Dr. STEWART: There is a whole area of enforcement, between the very limited authority under section 18, which is summary conviction, and the highly punitive steps which could be taken under suspension of licence. We would like some consideration to be given to the possibility, particularly with respect to advertising, that the board might be in a position to impose a fine, say of the value of the amount of the excess advertising—and, I presume, this would be subject to appeal. We felt this would enable us to fit the penalty more to the nature of the crime than we are permitted to do under the conditions prescribed now.

Mr. FISHER: I am very interested in this, because you may remember that when the C.B.C. had the regulatory function, it sort of tapped wrists repeatedly and publicly, but it never got down to the rules. We know several stations



in our own area that ignore their spot requirements time after time. It is for this reason that I am most anxious to have your comments. Would you suggest that any change we make should be a statutory one?

Dr. STEWART: I would prefer a statutory change, yes.

Mr. CREAGHAN: Dr. Stewart, I am interested in section 11(c) of the act and would like to ask you a question in this regard, but to do so I need an explanation of what a licence under section 12 covers. Perhaps you or Mr. Pearson could indicate to me if there are any restrictions in respect of a Department of Transport licence under the Radio Act in so far as carrying on business is concerned. What is a radio station entitled to do in the way of carrying on types of businesses other than broadcasting under such a licence?

Dr. STEWART: I am afraid I cannot answer that question. I do not know of any restriction under the Radio Act. I take it your question is directed specifically to the type of other businesses that can be carried on in addition to the broadcasting business?

Mr. CREAGHAN: Yes, under this licence.

Dr. STEWART: Counsel suggests that the only limits would be those limits contained in the company's charter.

Mr. CREAGHAN: My question in regard to section 11(c) concerns advertising associated with carrying on business. I have heard many radio stations advertising a product, urging people to purchase it directly from the radio station, and to pay the radio station directly for the merchandise purchased. I am wondering if such a situation is not in conflict with their authority under a licence. It seems unfair to me for a radio station to sell merchandise in this manner, and I am thinking of *Time* magazine which is sold directly by radio stations.

Mr. FISHER: Perhaps the station could be proceeded against under a local by-law.

Dr. STEWART: Outside of the company's charter, as I understand it, there are no limitations.

Mr. CREAGHAN: Do you think it is proper for a company which you regulate to be in the business of vending merchandise through their own facilities, and actually dictating the purchase price?

Mr. McGRATH: The sponsor is only using the station in that type of thing.

Dr. STEWART: I am trying to think of a particular case. I know there are cases of this kind because I have seen products in different radio stations when I have been going around. I feel this is some kind of sponsored promotional gimmick.

Mr. CREAGHAN: I have no doubt at all, Dr. Stewart, that the sponsor actually retains the radio station to do its advertising and to act as its vendor, but I am just wondering if this is something that parliament, in its wisdom, should permit.

Dr. STEWART: I am afraid the board has not dealt with this situation.

Mr. SMITH (*Simcoe North*): This is the type of advertising which seems to me to indicate that the television station or radio station is working on a percentage basis. For example, there is the type of advertising which advertises the electronic school and the American college. If you wish to inquire you do not write to the American college or the electronic school: you write to the radio station. It seems to me in respect of this type of advertising it is done on a commission basis. In other words, the station is paid so much for every inquiry received. I think that is exactly what Mr. Creaghan was referring to.

Mr. CREAGHAN: Yes, I referred to that situation in respect of merchandise.



Mr. MACDONNELL: Would this be within the power of the radio station to do?

Mr. CREAGHAN: That is what I would like to know. I am asking if they are permitted to carry on this type of business under the licence which is issued to them.

Dr. STEWART: I think you would have to ask this question of the Department of Transport.

Mr. CARON: In respect of the promotion of magazines, it does not appear to me to be very much different to what is being done by the newspapers. The newspapers are not in the magazine business, but if you take out a subscription for a year you are entitled to different magazines at a reduced rate. In view of the relationship between radio stations and newspapers, I do not think we should make a difference in this regard.

Mr. SMITH (*Simcoe North*): I would like to ask a further question in regard to the type of advertising done as I suggested in respect of the American college and electronic school, where it is obvious that the revenue to the station is directly in proportion to the amount of measurable response that they receive. Is this type of advertisement likely to encourage an excess of enthusiasm in the stations?

Dr. STEWART: We are concerned about the general area of promotion not only direct station promotion, but promotion in association with sponsors. As I indicated, we have announced that it is our intention to investigate this, and we are concerned about bringing in some kind of regulation in this regard. I am afraid I am not in a position to discuss any particular kind of situation which arises here, but our feeling is that in some cases at least, and under some circumstances in particular markets, these things do get out of hand, and that some limitation either voluntary on the part of the station in the market, which might be in their own interest in any event or, if necessary, regulation by the board, is required to prevent excesses of this kind.

Mr. McCLEAVE: I have a question, Mr. Chairman, in connection with section 10 of the radio-TV broadcasting regulations regarding spirituous liquors, beer and wine. Has there been any complaint received by the board regarding an advertisement by a brewery last year in which teenagers were shown as being at a dancing party, and the advertising accompanying their dancing put very great accent on the word "cheer" which rhymes with the word "beer"? This seemed to me to be a contravention of the section of your regulations which says that no other announcement shall be made or device used in any such program to advertise directly or indirectly the product of the sponsor, who is limited to saying that the program was brought to the viewers with the compliments of such and such a brewery. This does seem to me to be a direct breach in an indirect fashion of these regulations.

Dr. STEWART: I think you are aware that last year the Ontario liquor control board introduced in the province of Ontario a code dealing with beer and wine advertising. As a result of this they moved, in Ontario, into section 10(b) rather than section 10(1), so advertising in Ontario, is subject to the conditions of section 10(2). I think the advertising mentioned is the only departure from the regulations on which the board has had any complaint at all. We did follow it up, and the fact is there were no teenagers on that program at all.

Mr. SMITH (*Simcoe North*): The individuals looked very young.

Dr. STEWART: They did look young, that is true, and that is the basis of the complaint. We were informed however that there was no one younger than 23 years of age appearing in that advertisement.

Now, as far as the word "cheer" rhyming with "beer" in that advertisement, this is a problem with which we are faced all the time. I do not think you have any idea of the ingenuity of the advertising copywriters, but we are constantly faced with these problems.

Mr. McCLEAVE: I am afraid I do, Mr. Stewart.

Mr. LAMBERT: Dr. Stewart, going back to the question of excessive advertising in breach of the regulations, and the comments that were made in respect to the powers of the board, is it not also a fact that when the licences of the stations come up for renewal the station's log and record are brought into the considerations, thereby giving some exercise of control to the board, enabling it to force the stations back on the straight and narrow path?

Dr. STEWART: It is quite true that we do review the operation of the stations at the time of their application for renewal, and if we have had problems with the stations we can take effective action but a refusal to recommend the renewal of a licence is the most drastic action we can take.

Mr. LAMBERT: You also have the power of recommending only a two or three-year renewal.

Dr. STEWART: Yes, we have done that, hoping it would straighten out the situation.

I might say there is one case in which I think it is correct to say that the board refused an application for an increase in power because it's experience that the station had been unsatisfactory.

Mr. SMITH (*Calgary South*): I would like to ask you first if you have suggested any alteration or amendment in respect of the section covering spirituous liquors, beer and wine?

Dr. STEWART: We do have up for hearing next week an amendment to section 10(2). The principal feature of this amendment is to bring it into line with the Ontario code having regard to the use of brand references as well as the reference to the firm itself.

Mr. SMITH (*Calgary South*): I think, Dr. Stewart, you have also expressed the hope that there would eventually be a provincial code throughout Canada, and that you would amend your regulations in keeping with this code. Has there been any progress made in this direction?

Dr. STEWART: We do not really know of any further action contemplated by the other provinces in respect to introducing codes. We have indicated that should a number of the provinces agree upon a uniform code we would certainly wish to review our regulations with a view to making them conform to such generally accepted code.

Mr. SMITH (*Calgary South*): Paragraph (b) of regulation No. 10 states: no station shall broadcast any program or spot or flash announcement, sponsored by or on behalf of any person or persons whose principal business is the manufacture or sale of spirituous liquor, beer or wine.

Is there any way, to your knowledge, in which this feature is being abused? I am sure that you are familiar with certain attempts in this regard?

Dr. STEWART: There is no abuse to my knowledge at the present time, unless we are being accused of abusing this. There was a time when the board felt compelled to take action under this regulation, but at the moment I do not know of any violations.

Mr. McGRATH: With the ten provinces having ten different approaches to this advertising program, how do you enforce the regulations in regard to spirituous liquors, beer and wine?

Dr. STEWART: We can enforce our own regulations, but the difficulty arises when the code of the province is different and perhaps more restric-



tive than ours. In this case the province has to administer these provisions of its own code. For example, in Ontario the code requires that no brewery may purchase more than one and one-half hours per week on any station. This is not included in our regulations and, therefore, if that regulation is to be administered it must be administered by the province. The province must work this out with the different breweries.

Mr. McGRATH: The point I am making, Dr. Stewart, is that you cannot enforce this regulation by examining the station itself, but you must review the advertising in question.

Dr. STEWART: All beer and wine advertising is approved by the board.

Mr. McGRATH: I take it you examine the copy?

Dr. STEWART: Yes.

Mr. FISHER: Have you had any complaints at all about the coincidence of brewery and distillery support of sports broadcasts at a local level? I am not complaining about this, Dr. Stewart.

Dr. STEWART: Apparently not, Mr. Fisher.

Mr. FISHER: I have some other questions in respect of advertising, but not in regard to spirituous liquors, beer and wine.

Miss AITKEN: Dr. Stewart, where a Canadian station carries an American broadcast, for instance a Toronto station carrying a Buffalo broadcast sponsored by a brewery, must these advertisements adhere to our code?

Dr. STEWART: If the broadcast is made from a Canadian station then it must meet our code. However, if this is a program picked up on a Buffalo signal there is nothing we can do about it. However, I repeat, if the program is broadcast by a Canadian station the advertising must conform to the code.

Miss AITKEN: The excessive advertising would have to be cut out in that case?

Dr. STEWART: That is right.

Mr. MACEWAN: In regard to section 10, governing spirituous liquor, beer and wine, I take it that each program format, the sponsorship announcement and continuity all must come before the board and must be approved before they can go on the air?

Dr. STEWART: Yes, sir.

Mr. SMITH (*Simcoe North*): Relating to Miss Aitken's question, is it a fact that the provisions of the Ontario legislature now require brewers or distillers selling products through market outlets in Ontario to make their American advertising, beamed into Ontario, conform with the Ontario code?

Dr. STEWART: I have had some information on this point but I am really not quite sure of the position there.

Mr. McCLEAVE: Dr. Stewart mentioned cases where the provincial code is more restrictive than the board's regulations. What happens when the provincial code is less restrictive than the provisions in section 2 (b) about the device of advertising directly or indirectly? I think that must be out of line with the Good Cheer broadcast and the Columbus Discovers America broadcast put on by another brewery. Would you not have to amend section 2 (b) to bring this all into line with it?

Dr. STEWART: Our amendment, which is to be considered next week, we feel will bring our regulations into line with practice.

Mr. SMITH (*Calgary South*): I asked Dr. Stewart earlier about the regulations governing spirituous liquor, beer and wine, and he said the regulations were made more restrictive than they were in the past. In doing that were



you prompted by the temperance movement or a fear of corrupting the morals of Canadians? These people provide a very useful function in public service; are you going to make the regulations more restrictive on them?

An hon. MEMBER: Which side are you on?

Mr. SMITH (*Calgary South*): Frankly, on both sides.

Dr. STEWART: In the particular case you are referring to which, I think, bore more heavily on some stations in Alberta, what actually happened there was that we did not become aware of what was happening until a new piece of continuity was submitted to us. Then we discovered what seemed to us a case where the spirit or intention of the regulation had not, in fact, been applied, and we felt obliged to apply the regulation.

Mr. RICHARD (*Ottawa East*): Could you compare our regulations as to spirituous liquor and beer advertising—which I do not believe in very much—with those that are approved in England for the private networks there?

Dr. STEWART: I have read some documentation on these but I have forgotten it. We have not made any close comparison.

Mr. RICHARD (*Ottawa East*): Are they not any broader than ours?

Dr. STEWART: I should think they would be.

Mr. RICHARD (*Ottawa East*): Do you consider we are in a situation where we have to be restricted more than the people in the mother country?

Dr. STEWART: I do not think this is a personal opinion.

Mr. RICHARD (*Ottawa East*): Speaking very broadly, people can imbibe very frequently, then sit in on a committee themselves and can find all sorts of reasons why young people cannot look at an advertisement urging people to drink beer and liquor.

Mr. FISHER: On a point of order, it seems to me that Mr. Richard, perhaps unintentionally, has slurred the members of the committee. I do not think that anyone can suggest that members here are being pro-temperance or anti-temperance. I know Mr. Smith would not want to be brought into this as being anti-temperance. He comes from the Bible belt.

Mr. SMITH (*Calgary South*): It has been referred to in many other categories, but not as the Bible belt.

The CHAIRMAN: Order, please.

Mr. BALDWIN: There is a question I intended to ask you at another time but, seeing this has been brought up in regard to advertising, Dr. Stewart referred to a meeting which is going to be held to give people an opportunity to make representations in respect of the changes in the regulations. I suppose that comes under section 11(2) which says that the board shall give notice of intention to amend, and afford an opportunity to make representations. Do you consider that an exclusive term, likely to limit the right to make representations to licensees only; or can others make representations?

Dr. STEWART: We have not interpreted that as exclusive. We have only said we cannot hear individuals but, if anybody representing a recognizable organization or group wishes to be heard, the board has given them an opportunity.

Mr. PICKERSGILL: I have a non-alcoholic question on section 11 (1)(c) which is the part we are dealing with at the moment. It was suggested to my mind by Mr. Creaghan's observation earlier. Would the chairman feel that there should be either a statutory provision or a regulation that a broadcasting company, or a broadcaster, cannot engage in any other form of business?

Dr. STEWART: I feel that would be too sweeping, myself—"no other form of business".

Mr. FISHER: You mean the newspaper business, for instance?

Mr. CREAGHAN: Do you think you should qualify that, and say you can only advertise when they are paid a fixed amount, rather than gamble on the net income from advertising? In other words, if the sale of merchandise determines the revenue from certain advertising, do you think that is proper?

Dr. STEWART: I would want to study that question.

Mr. FISHER: I should like to go into something in relation to advertising that I do not see covered in your regulations or, indeed, in the act itself, and yet it is one of the main issues concerning television in Britain and the United States. That is the influence of advertisers upon programs, leading to the deletion or addition of certain lines. I understand that one newscaster, a chap named Henderson, has already had certain things deleted from his programs under pressure of the advertising agency looking after the advertising account for a brewery. Would you say you have any role there at all, in order to protect the integrity of producers from advertising influence?

Dr. STEWART: I think we have. It would be very difficult to make a careful analysis of what actually happens, but I feel I must subscribe to the general statement that advertisers, particularly sponsors, do exercise some control over content. It may not be overtly, but there is a tendency to do the kind of thing which is in the interests of the function of the advertiser. This may run counter to the general interests of the viewers in terms of programming. I think there is a problem there and, in my opinion, it would be less of a problem if we did not have sponsorship of programs and had only spot advertisements. But sponsorship has become so deeply ingrained into the whole North American broadcast procedure that I doubt now it would be possible to change over. I think about all we can do is urge on the large advertisers a sense of responsibility in this matter.

Mr. FISHER: If there were specific cases that require airing that might reveal the scope. For example, a brewery would not encourage any news flashes about drunken driving and accidents caused by drinking. Should these things be brought into the open, or do you want them out in the open, where you can look at them?

Dr. STEWART: I think the only way to do this is to make a thorough study of the matter. It is always possible to pick on one particular case, generalize from it, and get a totally false impression. If we want to go into this we should set aside time and resources to make a good study of the problem and report on it.

Mr. FISHER: In other words, you see your own staff making a study of this, making a report to you, with the possibility of action and further regulations perhaps, or something like that?

Dr. STEWART: I am not suggesting we could find time to do that sort of study without additional assistance, but it could be done within the board.

Mr. FISHER: Do you agree that it is a real problem, judging from the experience in other countries?

Dr. STEWART: I think it is a problem but I do not know the magnitude of it.

Mr. FISHER: We cannot suggest the urgency of it to you, but could you give us any indication when you are likely to go into this, and if examples were brought to your attention would they have any influence on your moving in that direction?

Dr. STEWART: Yes, I think if a particular instance were brought to our attention we would follow it up.



Mr. LAMBERT: To push this a little further, is not that a judgment or personal opinion of whether or not this is good or bad? Surely it is not clear-cut. Is it also felt that a commentator has a free licence to express just what he thinks, or how he thinks? Is not that also a matter of judgment? Perhaps some of the individuals are not endowed with the wisdom of Solomon necessarily.

Dr. STEWART: Let me take a specific case. It does seem to me that if a large national advertiser is using nothing but American programs, he is not making any contribution to a service which is basically Canadian in content and character, and I would think that is a matter of concern.

Mr. LAMBERT: That is not what is at issue here.

Dr. STEWART: It is a facet of it.

Mr. LAMBERT: It is suggested that a particular type of advertiser, because he has a large volume of business with a station or network, says "I would like you to downgrade a certain type of news release or commentary". In other words, he tells the station: do not be anti this or that in your editorial policy. This, I think, is what Mr. Fisher is getting at, that the editorial policy of the news department of a station or network, might be affected by the particular views of a large advertiser.

Dr. STEWART: The issue, as I see it, is: who is responsible to the board for section 10 of the regulations? I say the broadcaster is responsible to the board. If the broadcaster cannot act responsibly, because pressure is put on him from other people, then this is a matter of concern to the board.

Mr. PICKERSGILL: May I raise a point of privilege before we adjourn. I have just looked at the record and, while I do not exactly object to what is here, it is not exactly what I said. At page 21, the record reads:

Certainly it would be highly undesirable, I think for the government to be able to remove members of the B.B.G., because of the bold conception of broadcasting in this country. . . .—

—and so on. That should read "whole" conception of broadcasting, and I think it ought to be corrected.

Mr. SMITH (*Simcoe North*): As an extension to what Mr. Fisher has suggested, are you not getting on to the dangerous ground of censorship when you start interfering with editorial opinion?

Dr. STEWART: This is quite true. On the other hand I do feel that the broadcaster is the person who should take these decisions, and he should not make the decisions under pressure from other people.

Mr. SMITH (*Calgary South*): You stated the regulations with regard to advertising of spirituous liquor was based on the fact that these regulations were there, by and large, before the board was founded. Is that your point? You obviously tightened them up. Is that the basis, or is there any other philosophy behind these regulations?

Dr. STEWART: What you were referring to under 10 (b) was tightening up of the application of the regulations. The amendments which are being introduced next week are as a result of the Ontario liquor control board code.

Mr. SMITH (*Calgary South*): I appreciate that.

Dr. STEWART: And are to some extent to come into line with it.

Mr. SMITH (*Calgary South*): Is it correct to say that the only reason we have the present regulation under 10 (a) is because they were there before, and (b) because you felt it was necessary to tighten them?

Dr. STEWART: They were there before; they were reviewed by the board and we felt it would not be wise to change them, and felt we had to apply them.



The CHAIRMAN: I wonder if we could adjourn now.

Mr. FISHER: On a point of information, I am wondering about the right of individual members to bring witnesses before the committee. This is not a standing committee. May I seek clarification, or are there any rules?

Mr. SMITH (*Calgary South*): May I suggest in answer to that that it has been the practice to suggest witnesses to the subcommittee and resolve the matter at that level.

The committee adjourned.

















HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

MINUTES OF PROCEEDINGS AND EVIDENCE  
No. 3

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MONDAY, FEBRUARY 20, 1961

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WITNESS:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

SPECIAL COMMITTEE ON BROADCASTING

Chairman: Mr. George C. Fairfield

Vice-Chairman: Mr. Louis Fortin

and Messrs.

Aitken, Miss	Grenier	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Bourbonnais	Macdonnell ( <i>Greenwood</i> )	Richard ( <i>Ottawa East</i> )
Caron	MacEwan	Robichaud
Casselman, Mrs.	McCleave	Rouleau
Chown	McGrath	Simpson
Creaghan	McIntosh	Smith ( <i>Calgary South</i> )
Danforth	McQuillan	Smith ( <i>Simcoe North</i> )
Fisher	Mitchell	Tremblay
Forgie	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
Clerk of the Committee.



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

MONDAY, February 20, 1961.

(4)

The Special Committee on Broadcasting met at 11.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members Present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Caron, Chown, Fairfield, Fisher, Keays, Macdonnell (*Greenwood*), McCleave, McGrath, McIntosh, McQuillan, Pickersgill, Pratt, Robichaud, Simpson—(17).

*In attendance:* Dr. Andrew Stewart, Chairman, Mr. Carlyle Allison, Vice-Chairman, Mr. Bernard Goulet, Member, also Mr. D. W. Mills, Secretary, Mr. W. C. Pearson, Counsel, and Mr. Ross McLean, Research Director—Program, of the Board of Broadcast Governors.

The Chairman informed the Committee that a brief had been submitted by the National Community Antenna Television Association of Canada. (As previously agreed, it was referred to the Steering subcommittee.)

He read a telegram from the British Columbia Association of Broadcasters about which he later invited Dr. Andrew Stewart to comment. (*See Evidence, pages 61 and 64.*)

The Committee resumed from Thursday, February 16, the section by section review of the Broadcasting Act, 1958, with Dr. Stewart again under questioning.

At the beginning of his deposition, Dr. Stewart supplied the Committee with certain data concerning meetings of the Board of Broadcast Governors, The Executive Committee of the Board of Broadcast Governors, and attendance by Part-Time Members at meetings of the Board and of the Executive Committee, in answer to a question asked of him at a previous sitting. (*See Evidence, page 61.*)

And the examination of Dr. Stewart still continuing, it was adjourned to a later date.

The Chairman announced that, in compliance with the arrangements recommended by the Steering Subcommittee, the Committee would, at its next sitting, hear representatives of the Canadian Association of Broadcasters.

At 12.55 o'clock p.m. the Committee adjourned to meet again at 9.30 a.m. on Thursday, February 23, 1961.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

MONDAY, February 20, 1961.  
11 a.m.

The CHAIRMAN: Good morning, ladies and gentlemen. We have a quorum and are ready to proceed.

I have received from the National Community Antennae Television Association of Canada a brief which I understand we are going to take up with the subcommittee initially before submitting it to the committee as a whole.

Secondly, I have received a telegram from the British Columbia Association of Broadcasters. With the consent of the committee, I will read it.

Deeply resent reported unfortunate language of Andrew Stewart before your committee referring to breaches of B.B.G. regulations as quote crimes unquote use of such phrases even in jest reflect trend to increased discriminatory legislation over broadcast media.

The references refers to page 50 of the proceedings of the last committee meeting.

Today is the last day that the B.B.G. can appear before us before their meetings, and the subcommittee wish to hear the C.A.B., Canadian Association of Broadcasters, beginning on Thursday. I have made arrangements for that, and whether we finish with the B.B.G. or not today I think probably we should go on rather than leaving a space of several days when we cannot hold meetings because of the absence of the B.B.G. If the committee agrees, I think we should carry on with the C.A.B.

Perhaps today we should table some of the information which was requested by Mr. Rouleau in connection with attendance at board meetings. Our witness has the prepared material here.

There was one further request, and that was for the report of the committee in connection with the C.A.B., B.B.G. and C.B.C. on the wired transmissions which, I understand, has not been passed to the minister concerned as yet. We will provide it when we can acquire it from the minister.

At this time I think Dr. Stewart has a statement to make.

Dr. ANDREW STEWART (*Chairman, Board of Broadcast Governors*): Mr. Chairman, we have here the record of the attendance of the part-time members at meetings of the board and of the executive committee.

FEBRUARY 14, 1961.

### MEETINGS OF THE BOARD OF BROADCAST GOVERNORS

Total number of Meetings to date—17

Dates of Meetings	Number of Part-time Members in attendance
November 20, 21, 1958.....	12
January 27, 1959.....	10
May 15, 1959.....	10 (one position vacant)
July 7-10, 1959.....	10 (one position vacant)
September 28—Oct. 2, 1959.....	8 (two positions vacant)
November 4-5, 1959.....	9 (two positions vacant)



MEETINGS OF THE BOARD OF BROADCAST GOVERNORS—*Con.*

Dates of Meetings	Number of Part-time Members in attendance
January 14-16, 1960.....	9
January 17-22, 1960.....	8
March 7-10, 1960.....	10
March 13-22.....	8
May 9-14, 1960.....	8
May 15-17, 1960.....	7
June 19-21, 1960.....	8
June 22-28, 1960.....	8
August 31-September 2, 1960.....	9
September 25-28, 1960.....	10
November 28-December 2, 1960.....	11

## SUMMARY

No. of Meetings	No. Attending
1 .....	12
1 .....	11
5 .....	10
3 .....	9
6 .....	8
1 .....	7

FEBRUARY 14, 1961.

MEETINGS OF THE EXECUTIVE  
COMMITTEE OF THE BOARD OF BROADCAST  
GOVERNORS

Total number of Meetings to date—12

Dates of Meetings	Number of Part-time Members in attendance
January 12 & 13, 1959.....	4
March 3 & 4, 1959.....	4
April 16, 17, 1959.....	2
June 12, 1959.....	3
July 29, 1959.....	3
November 12, 1959.....	4
December 17, 1959.....	3
February 25, 1960.....	3
September 3, 1960.....	4
October 6, 1960.....	4
January 20, 1961.....	3
February 9, 1961.....	2

FEBRUARY 14, 1961.

ATTENDANCE BY PART-TIME MEMBERS OF THE  
BOARD OF BROADCAST GOVERNORS AT MEETINGS  
OF THE BOARD AND OF THE EXECUTIVE COMMITTEE

Name of Member	No. of Meetings of Board Attended		No. of Meetings of Executive Committee Attended	
	Total	Held—17	Total	Held—12
Mr. R. S. Furlong (Resigned May 14, 1959).....	2			
Mr. D. J. Stewart (Resigned Sept. 14, 1959)....	4		2	
Mr. J. F. Brown.....	14			
Dr. Mabel Connell.....	14			
Dr. Emlyn Davies.....	13		5	
Mr. Edward Dunlop.....	13		7	
Dr. Eugene Forsey.....	17		12	
Mr. Guy Hudon.....	9		2	
Mr. Ivan Sabourin.....	8		5	
Mrs. R. G. Gilbride.....	17		4	
Dr. Colin McKay.....	11			
Mr. R. Duchemin.....	15			
Mr. M. Marshall.....	11		2	
Mr. R. Louis Burge.....	11			

## NOTE:

The part-time members serving on the Executive have been as follows:

*November 1958 to January 1960*

Dr. E. A. Forsey	Alternate—Mr. E. A. Dunlop
Col. F. D. Stewart	
Mr. Ivan Sabourin	
Dr. Emlyn Davies	

*January 1960—February 1961*

Dr. E. A. Forsey	Mr. Guy Hudon
Mrs. R. G. Gilbride	Alternate—Mr. L. M. Marshall
Mr. E. A. Forsey	

The CHAIRMAN: Is it the wish of the committee to table these and have them included in our report?

Mr. PICKERSGILL: It is not for me to speak for Mr. Rouleau, Mr. Chairman, as he is not here, but I suggest Mr. Rouleau was seeking rather different information than that presented. The information he was seeking was not the number of part-time members who were present at each meeting but the record of attendance for each of the part-time members over the whole hearings.

Dr. STEWART: I have that as well.

Mr. PRATT: Mr. Rouleau seems to be in no position this morning to ask questions in regard to attendance as he is not here himself.

Mr. PICKERSGILL: Well, I will quite cheerfully take the responsibility for asking the question myself, as I am here.

Mr. MACDONNELL: This may be making a mountain out of a molehill, but you read a telegram this morning and may we be informed if any answer has been sent or is proposed to be sent. This is just idle curiosity on my part.

The CHAIRMAN: Mr. Macdonnell, I think the witness has an answer for this, although I am not going to ask him to sing it.

Would the members of the committee be agreeable to the tabling of this information in connection with the attendance? It is quite a long list.

Mr. CHOWN: I move that we table the information as an appendix to the minutes.

Mr. PICKERSGILL: I am quite agreeable to that, as I do not think we should take up the time of the committee in reading it. As long as it is available, I am satisfied.

The CHAIRMAN: Shall we take it as read and have it as an appendix?

Mr. PICKERSGILL: Why not have it inserted in the record at the appropriate place.

The CHAIRMAN: That will be fine.

I think Dr. Stewart would like to make some comments in connection with this telegram at this time.

Dr. STEWART: As I recollect it, the point we were making was that we were not entirely satisfied with section 18, which refers to summary conviction under the Criminal Code, and section 15 on suspension, enabling us to deal, as we felt appropriate, with particular kinds of breaches of the regulations. It was suggested we might be given permission to levy fines in the case of excess advertising.

In reading the record, we said:

We feel this would enable us to fit the penalty more to the nature of the crime than we are permitted to do under the conditions prescribed now.

I was incorrectly quoting from the Mikado, I think, in connection with the punishment fitting the crime. In fact, I would like to point out that one of our problems is that a violation of the regulations is, in fact, a crime, which is subject to summary conviction under the Criminal Code. But, I was not pressing this particular point. On the contrary, I was trying to find some other means of dealing with minor breaches of the regulations of this kind.

Mr. PICKERSGILL: What Dr. Stewart was trying to suggest was that it was a rather nice kind of crime.

The CHAIRMAN: Now, ladies and gentlemen, we are on section 11(c) of the Broadcasting Act, Part I.

Mr. PICKERSGILL: Before we proceed with that, Mr. Chairman, it seems to me there was another question Mr. Rouleau asked, which was not answered, and that was whether any members of the B.B.G. were over the age of seventy, which would automatically vacate their position. This is a frightfully important point, because if there are they cannot be members, and if they form a quorum at a meeting with the aid of such person, everything done at that meeting would be illegal. In my view, it is a very serious point.

The CHAIRMAN: Have you any statement to make in connection with the ages of the B.B.G. members, Dr. Stewart?

Dr. STEWART: In reply to the question of Mr. Rouleau, I said the last time that I hoped it would be sufficient to say that we have on the agenda next week a request that all members of the board provide their birth certificates. About two weeks ago we found that we had the ages of all the members of the board, with the exception of the two lady members, Dr. Connell and Mrs. Gilbride, and in conversation with the Secretary we were trying to find some delicate means of approaching this. We put it on the agenda for the meeting, and we are asking everybody to provide this information.

Mr. PICKERSGILL: Will this be a public meeting?

Dr. STEWART: No, not in the public hearings.



Mr. PRATT: It would appear that Mr. Rouleau's absence today is based upon a delayed sense of gallantry.

Dr. STEWART: I did call Mrs. Gilbride in connection with this matter, and I have to confess that she informed me that she is over seventy years of age. I understand that her resignation is on the way in. I personally have no reasonable explanation to offer as to why I did not check on this particular point, as it is clearly in the Act. However, until a couple of weeks ago the possibility had not occurred to me, and I am afraid no action was taken.

Mr. PICKERSGILL: Mr. Chairman, I do not think the chairman of the board should take the responsibility for this. These appointments are made by the government, and the government has a clear responsibility to see that it appoints persons who are qualified, and when they cease to be qualified that they cease to serve. I think it would be most invidious to place that responsibility on the chairman of the board. This is an obvious case of negligence on the part of the government.

The CHAIRMAN: Are we ready to proceed with the business of the committee?

Mr. BALDWIN: I have just one point to raise, Mr. Chairman. There have been a number of questions addressed to the Radio Act in so far as applications for licences are concerned, and reference has been made to the regulations. Would it be possible for us to have copies of the Radio Act and the regulations thereunder?

The CHAIRMAN: They have been distributed.

Mr. BALDWIN: I understand not, Mr. Chairman.

The CHAIRMAN: In that case we will see that they are supplied.

May we then proceed with section 11. I think we are still on subsection (c). Are there any further questions on (c)? If not, subsection (d) is next.

Mr. CARON: I have some doubts in connection with subsection (d), Mr. Chairman, and I would like to ask Dr. Stewart this question. Has the B.B.G. the power to fix the price for political broadcasts from private stations? As you know, we, as political candidates, try to keep down the expense. We see newspapers as well as radio stations, doubling the price of their advertising, and there is always the danger that the same would be done with television. Is there any power entitling the board to fix prices?

Dr. STEWART: There is no reference of any kind to rates in the Broadcasting Act, and it is our view, on advice received, that we have no authority to control rates.

Mr. CARON: Would that mean bringing in an amendment to the act?

Dr. STEWART: Yes.

Mr. PICKERSGILL: In connection with that question, could I ask Dr. Stewart if they are advised by their legal advisers that they have no power even to see that the same rates are charged for comparable service? In other words, in order to prevent discrimination.

Dr. STEWART: The advice we get is that we have no control over rates and no authority to interfere with rates charged by broadcasters.

The CHAIRMAN: Have you a question, Mr. Chown?

Mr. CHOWN: Mr. Chairman, I was going to point out that surely the competition factor is very keen and that perhaps this by itself is sufficient to hold the rates in line. Then, if there is any possibility of a combine or anything of that nature any station would have the right to make a complaint under the appropriate legislation.

Mr. PICKERSGILL: If I may, Mr. Chairman, I would like to make a comment in connection with Mr. Chown's comment. He is quite right, as far as his question goes; but it is the competition between advertisers in an election campaign which has the effect of sending the rates up and not keeping them down, as anyone with any experience knows. That is exactly what Mr. Caron was seeking to point out. It seems to me it is highly undesirable that these radio stations, and now the television stations, should be allowed to put up their rates for political advertising or political broadcasts above the rates they charge other people. As is well known, I am opposed to any paid political broadcasts whatsoever by anybody, as I indicated when the bill went through the house. I believe that there should be only free time and no paid time whatsoever, and that both the C.B.C. and the private stations should be compensated out of the treasury for the amount of time they devote to broadcasts. I think this would be much fairer to everyone. I make no boasts, such as those made by Mr. Fisher, that if their party was going to be exceedingly well heeled they would hope there would be lots of competition.

The CHAIRMAN: As Dr. Stewart said, this is beyond the control of the B.B.G.

Mr. CARON: Mr. Chown mentioned competition. However, there is no real competition because the C.B.C. has not the right to charge. When we had time, it was free time. The competition factor concerns only the private stations. Then, there will not be any competition, as there is only one in each region. There is only one in Toronto, so they can charge whatever they want, if the B.B.G. has no right to control the rates. That is why I brought this question up.

Mr. CHOWN: To correct the record, I did not realize Mr. Caron was referring specifically to political broadcasts. I thought he was referring to rates generally.

Mr. PICKERSGILL: Subsection (d) refers exclusively to political broadcasts.

Mr. MCCLEAVE: Mr. Chairman, as Dr. Stewart was offering a comment on each section as it came up, would he follow that procedure this morning.

The CHAIRMAN: Have you any comments to make on this subsection?

Dr. STEWART: Under subsection (d), the regulations of the board are set out under section 7 of the T.V. regulations.

Mr. PICKERSGILL: Dr. Stewart, do these regulations differ in any substantial respect from the regulations as they were when the B.B.G. took over—and I am referring to the C.B.C.?

Dr. STEWART: My recollection is that we have made no amendment to this part of the regulations. I am sorry; counsel advises me that we added 7(2) to make it conform to the principles governing political and controversial broadcasting, which is a document of principles published by the B.B.G., and a continuation of a document previously published by the C.B.C.

Mr. BALDWIN: In connection with that particular section, I wonder if Dr. Stewart and counsel would direct their attention to (d) of 11(1) in respect to the proportion of time that may be devoted—and I emphasize the word "may". Do you interpret that as being permissibly compulsory? Do you feel you have the authority, under the proper interpretation of that subsection, to compel stations to allot, or do you say they may allot certain specific periods of time?

Dr. STEWART: We have taken no action to compel them, and I would interpret this to mean that they could be compelled.

Mr. BALDWIN: And, therefore, there is no interpretation of that section which would place upon the board the onus of saying to any private radio station: you must receive this paid political announcement from this individual candidate or party.

Dr. STEWART: It is a question of interpretation, but I think it is broad enough to enable the board to say: you must give time.

Mr. PICKERSGILL: In your mind, Dr. Stewart, would it also be broad enough to enable the board to say that no station may broadcast more than a certain amount?

Dr. STEWART: Yes.

Mr. PICKERSGILL: Because that is, of course, where the worst abuses are likely to occur.

Mr. McGRATH: I have a question along the same lines, Mr. Chairman.

Dr. Stewart, is it within the board's competence to regulate the amount of time any one political party may buy? Is it obvious that one party may be in a better position to buy time than another, and in that way you would get a saturation of one political viewpoint. I know this is controlled rigidly in C.B.C. telecasts, but I was wondering about private stations.

Dr. STEWART: We receive a report from the stations of the political time provided by them in connection with elections and in between elections. This record is available to us. Under section 11(1)(b) we are involved in the assignment on an equitable basis between them. I do not think we have had any complaints in regard to the sale of time on private stations being inequitable. However, in looking at the records as they come in, there are some variations. Obviously, everybody is not getting the same amount of time, but this has not been sufficiently disparate to cause the board to be concerned. We have had no complaints about inequity in the use of purchased time.

Mr. McGRATH: I have a supplementary question. Do you exercise any control over the allocation of time? Naturally, there would be some times which would be more effective than others.

Dr. STEWART: You are not referring to C.B.C. time?

Mr. McGRATH: No; I am referring to private station time.

Dr. STEWART: Yes. I do recollect we became involved in the question of the sale of time immediately prior to an election.

As I recollect the case, this station had an offer to buy the whole of the time on the evening immediately preceding the 48 hour blackout. We told them that this would, in our view, be inequitable, and that if they entered into any such arrangement as this, it would make it impossible for anybody else to get any time that evening. That is just one illustration of the sort of thing that comes to our attention.

Mr. McGRATH: Are you satisfied with the measure of control that is now exercised in this area by your board?

Dr. STEWART: Yes.

Mr. CARON: Has the board the right to change this and to say that it is not equitable to these people to ask for that time?

Dr. STEWART: I think we have very broad powers under section 11(1)(d) to regulate in order to assure some measure of equity in the distribution of time. Regulation 7(2) gives us the power to administer this in accordance with the terms that the board issues from time to time.

Mr. McGRATH: The C.B.C. has a system or a formula whereby they invite parties—political parties—to meet with them prior to the opening of a campaign, at which time the time available is allocated on an equitable basis, or on a proportionate basis to the various candidates for each party. Is there any intention for the B.B.G. to enforce a similar formula to be used by private broadcasters in allocating time?



Dr. STEWART: We have not considered that in respect to the sale of time.

Mr. MACDONNELL: I notice in section 7 of the regulations of November 1959 the words "on an equitable basis"; and that in section 11(1)(d) the same words are used. I wonder if there is anything elsewhere in the regulations to indicate what is an equitable basis, or whether the custom has grown up that it is to be done on the basis of the number of candidates, as Mr. McGrath brought out. Is that accepted as a working rule?

Dr. STEWART: This is referring to the C.B.C.'s designation of what is free time.

Mr. MACDONNELL: Yes.

Dr. STEWART: We are aware of the procedures of the C.B.C. affiliates in calling the parties together, and in allocating free time. But I think it says somewhere that if the corporation is unable to come to a satisfactory agreement with the party, then the matter is referred to the board, and the board may have the final decision on this.

Mr. MACDONNELL: You have not yet had to make any such decision?

Dr. STEWART: No, we have not in fact been called in. Apparently the C.B.C. has met with the parties and has in every case worked out a satisfactory solution, in so far as the distribution of time is concerned. But we have recently had a complaint from a Manitoba Social Credit group along this particular point.

Although I think it would not be correct to say the issue was one of the allocation of time, the issue was a very interesting one.

This particular party was not present at the meeting, and was not allocated time. They made no protest on that particular point.

But during a provincial affairs broadcast one of the other parties in their broadcast took time out to criticize the Social Credit Party in Manitoba. Whereupon, we had a complaint from the Social Credit people along this particular point, and we ruled on this that if a party was not given time, and if other parties in their broadcasts criticized the party which did not have time, then the party which did not have time must have the right to reply, because the right to reply is inherent in all of the principles governing both controversial and political broadcasts.

So, if a party is given time, and it takes time to criticize another party which has not got time, then that party must have, in our view, the right to reply.

Mr. PICKERSGILL: I wonder if Dr. Stewart would define "party" in this context and as used here? This is a very, very far-reaching ruling, and I would be greatly interested to know if anybody chooses to call himself a political party—such as a gentleman did once on the radio, a gentleman from Sorel the other day—if that makes him a political party; and if I should attack him on the radio, does he have the right to reply?

Does the communist party, which, so far as I know, has no members in any elected legislature in Canada, have the right to reply under that ruling?

Dr. STEWART: The ruling has reference to controversial broadcasts of which, perhaps, political broadcasts form a part. I think, however, that a controversial broadcast is wider than this.

We take the position that if any group of people are referred to detrimentally in a broadcast, then they have the right to reply, and it does not matter whether they are a political party or some other group. This is the essential principle; the right to reply in a controversial broadcast.

Mr. PICKERSGILL: No matter how small that minority may be?

Dr. STEWART: No, I would not say no matter how small the minority might be. But if the reference was libelous or slanderous, we would say this has nothing to do with us, and there are normal procedures to be followed.

Mr. McGRATH: Let me use an extreme example. Let us suppose the nazi party should enter a candidate in every constituency. Then under this present regulation they could claim an amount of time equal to every other political party?

Dr. STEWART: I believe so.

Mr. McGRATH: I mean a proportionate amount of time.

Dr. STEWART: Yes.

Mr. SIMPSON: I was not here at the beginning of this discussion but I have heard a few complaints about the rates which could be charged for political broadcasts by some of the private broadcasters, and a discussion as to whether the board has any regulatory powers over private stations in regard to political broadcasts.

As I said, I was not here at the start, so I do not know if anybody has mentioned it. It may be in order for me to say that possibly we are overlooking something in the fact that these private stations—at least some of them—in fact do provide a great deal of free time for political broadcasts. I do not know if that has been mentioned or not, but I do know that it is the case.

Mr. ROBICHAUD: I would like to ask Dr. Stewart who decides if a program is of a political character because, as Mr. Pickersgill mentioned before, any member of a party no matter how small the group, could demand to be heard.

Dr. STEWART: As far as parties are concerned, frankly, we have never run into a situation in which there seemed to be any question as to whether it was an organized group which was placing a candidate in the field, and exhibiting other characteristics of a party.

Counsel points out to me that under the act, section 17 (2);

A licensee shall immediately preceding and immediately after broadcasting a program, advertisement or announcement of a partisan political character, identify the sponsor and the political party, if any, upon whose behalf the program, advertisement or announcement was broadcast.

So in those words there is a responsibility on the broadcaster to establish who the sponsor of the program is, and to indicate his relationship to the broadcast.

Mr. CARON: "Political party" does not apply to the sponsor; and if there is none what can they do?

Dr. STEWART: I think the issue is really the words "partisan political character".

Mr. CARON: Yes, if any.

Mr. ROBICHAUD: Suppose a party has no name. We have a case of that in the house. We have seven C.C.F. members, and one representative of the new party.

Dr. STEWART: Section 17 (2) reads:

...identify the sponsor and the political party, if any,...

Presumably there is somebody sponsoring it, and this would have to be it.

Mr. BALDWIN: Surely it would not forbid an independent, running in a constituency, from putting on a political program and sponsoring it himself. As Dr. Stewart points out, is it not a fact that the important words are "broad-

casting a program, advertisement or announcement of a political character, identify the sponsor and the political party, if any,..."

The word "party" in there has nothing to do with parties. That is my understanding.

Mrs. CASSELMAN: Dr. Stewart, about this matter of allowing anybody to have an answer, as Mr. Pickersgill says, it could well be that by putting a couple of candidates in the field, the communists would have an opportunity to answer all the anti-communist remarks made. Would time be allotted to them in order for them to answer all the criticisms of their system?

Dr. STEWART: I would say that a legally recognized group should not have exactly the same rights under our regulations as any other group.

Mr. PICKERSGILL: I would like to ask Dr. Stewart if there is a formula to determine the political parties which are entitled to national time in an election campaign? I know that the C.B.C. did have difficulty in determining what constituted a party and how many candidates it should have.

Dr. STEWART: They still have a formula, and I am aware of the nature of it. However, it is still in effect.

Mr. PICKERSGILL: Is it not true that the C.B.C. would have no power whatsoever under the legislation of the Broadcasting Act now to enforce any such regulation, and do you not feel there really ought to be a regulation?

If this is desirable in itself, do you not feel there really ought to be a regulation of the B.B.G. to have the authority, not relying on the regulation of the old C.B.C. which did have authority, but since the new C.B.C. has no power whatsoever in this field?

Dr. STEWART: I think this is one of the matters to which I referred earlier in connection with the dual nature of our system, and the participation of a public corporation here.

I have indicated that if the corporation does not reach an agreement, then it must come to the board for a decision. I think it would be unwise for the board to become involved in directing the corporation as to what it should do with its time on the stations until the corporation had at least explored the matter and tried to effect a satisfactory solution itself.

Mr. PICKERSGILL: I take it, Dr. Stewart, that you are very familiar with the debate which took place in the House of Commons at the time the act was passed and when this subject was debated on August 26, 1958, at some length.

At that time Mr. Nowlan took the view—which I think I first expressed—that it was really undesirable that the B.B.G. or the C.B.C. should have this function, and that the regulation of political broadcasts should be done by parliament.

But when I pointed out that the phrase which was in the old Canadian Broadcasting Act for the allocation of time had been dropped from the new bill, the government took no action. So until somebody else does something about it, it is perfectly clear from that debate, and from the act, it seems to me; and I would like to know if the chairman would agree with me?

It seems to me that the only power existing anywhere at the present time relative to any of these questions exists in the B.B.G., and it would seem to me to be highly improper for us to go into a general election without regulations made and known in advance. And when I say improper, I mean improper for the B.B.G.

Mr. MACDONNELL: Am I splitting hairs when I refer to Dr. Stewart's words "legally recognized?" In what sense is any party legally recognized? In what sense is it a legal entity?



Dr. STEWART: All right, I apologize. I meant by that that they are not illegal.

Mr. PICKERSGILL: You mean they are not illegal organizations?

Dr. STEWART: Yes.

The CHAIRMAN: Are there any other questions on section 11(1)(d)?

Mr. CARON: If in a district there is a private station allocating time and charging for it, does the C.B.C. still continue to give free time to a political party?

Dr. STEWART: I believe that the corporation does give free time on its network, which would be carried by the station if it were an affiliate of the C.B.C., or if it is the C.B.C.'s own station.

Mr. CARON: They would keep on getting free time, just as they did in the past?

Dr. STEWART: Yes.

Miss AITKEN: What would the rule be for a private network, on this political question?

Dr. STEWART: I think that the regulations of the board now are made to apply to both networks and licensees. That is the situation. So that the regulation referring to political broadcasts, number 7 would in fact apply to the network as well as the private station. Yes, this was amended so as to read "each station or network," so that this regulation applies to the network as well as to the station.

The CHAIRMAN: Are there any further questions on paragraph (d)?

Mr. PICKERSGILL: I would like to ask Dr. Stewart if the program called The Nations Business is regarded as being a broadcast of a partisan political character?

Dr. STEWART: Yes, sir.

Mr. PICKERSGILL: Well, there are grievances with respect to that matter which were aired in the privileges and elections committee last year, and we thought it had been settled, from a statement made by Mr. Lambert at that time. This program The Nations Business, while it is broadcast on the C.B.C. stations, is also carried by an increasing number of private stations—in fact, I think, nearly all of them, on the same day. But there are still parts of the country where, notwithstanding the microwave, it is not carried simultaneously. This results in very ridiculous situations arising, for all political parties, where a reference is made in a broadcast to something that happened that day, or the day before, when it is being listened to days later. It really makes the whole thing a farce.

This has happened a great many times, and Mr. McGrath will bear me out. It has happened particularly in some of the outlying parts of the country.

Is there not some way by which an arrangement of the B.B.G. could see to it that these broadcasts are in fact broadcasted the same day? The old excuse that the micro-wave did not go across Canada does not exist any longer.

Dr. STEWART: I suggest that more useful information on that point could be obtained from the C.B.C. as to why some of these stations do not carry this particular program. I would think, however, that if there were complaints to the board on this, the responsibility finally come back to the board.

Mr. McGRATH: How broad are your powers with respect to the section 11(1)(d)?

Dr. STEWART: I would say they are extremely wide, both with respect to the time to be devoted, and the question of the equitable distribution of that time.

Mr. McGRATH: In other words, you are saying that this section certainly gives you competence to deal with this matter that we have heard raised here this morning?

Dr. STEWART: I would say that was correct. All we have done so far is what is set out in section 7(1) of the regulations, but the powers are quite broad here.

Mr. BALDWIN: You consider that you are limited under paragraph (d) to make regulations respecting the proportion of time that may be divided around. These are the words which exclusively limit the section to your jurisdiction?

Dr. STEWART: That is right.

Mr. CARON: We heard quite a lot of complaints about what happened in the last election at Peterborough. Can you explain why this did happen?

Dr. STEWART: Mr. Chairman, we have prepared a statement of the events and circumstances in this case. I am fully conscious that we shall be back before you at a later time. I think the best suggestion here would be to allow us to prepare our statement for distribution to the members of the committee.

I could deal with it briefly, but I feel you would like me to deal with it more adequately than I can do today.

Mr. CARON: Yes, I would like that.

Mr. PICKERSGILL: I have no further questions, but I would like to make this reservation; I do not feel that the questions we have asked this morning dispose of this subject at all, because, as far as the committee is concerned it is one of the most important things that this committee has to consider.

The CHAIRMAN: As the chairman of the B.B.G. thinks, this can be taken up in much broader aspects later on when he comes before us again.

Are there any questions now under section 11(1)(e)?

Mr. McCLEAVE: Could Dr. Stewart give us a preliminary statement as to the regulations covering this?

Dr. STEWART: The principal regulation is the 45 to 55 per cent Canadian content in television. It is our conviction that in television this will lead to a significant increase in the use of Canadian talent in the provision of programs for television stations. As I indicated earlier, we have not completed as yet any comparable regulations with respect to radio. However, we are working on this problem.

Mr. McGRATH: Mr. Chairman, I would like to ask the chairman of the B.B.G. what is the board's interpretation of Canadian talent.

Mr. PICKERSGILL: It has to be Canadian but it does not have to be talent.

Dr. STEWART: Actually, I do not think we have a definition of talent. It merely seems to us that if Canadians are used in the production of programs which are shown, this production then implies Canadian talent.

Mr. McGRATH: Do you mean by that Canadian citizens or performers domiciled in Canada?

Dr. STEWART: We have said that if a person has taken up residence in Canada, this would be satisfactory to us.

Mr. CARON: Is there any C.B.C. program in existence which is searching for new talent?

Dr. STEWART: They have had a program on search for talent. It was not on this year, but I believe it was last year.

Mr. CARON: Was this sponsored by the C.B.C., or was it a private company which was sponsoring it?

Dr. STEWART: There may have been a sponsor. It was however a corporation program.

Mr. McGRATH: According to the interpretation of Canadian talent, all a performer has to do is take out residence in Canada and he can satisfy the board's regulations as being a *bona fide* Canadian.

Dr. STEWART: This has come up in connection with major productions—39 episode serial sort of thing—and the question of the talent to be used in these. In many cases some of these can be brought in from the United States, but if they are to be counted in the balance of the elements determining Canadian talent as Canadians, then there must be evidence to us that they have, in fact, moved up here with the intention of staying in Canada.

Mr. McCLEAVE: Gina Lollobrigida recently moved into Canada, Dr. Stewart. Does this mean that her old movies, because they have now a Canadian content, come under this ruling?

Dr. STEWART: No. But, if she were used in a production made in Toronto, then her participation would count in our determination as to whether or not this was a Canadian production. She would be domiciled in Canada.

Mr. BALDWIN: If the individual was a landed immigrant within the meaning of the immigration regulations, and even though they had just come to Canada, they would then come within the definition you laid down.

Dr. STEWART: That is precisely the point, that if an immigrant did come he or she would not have to wait for five years in order to be recognized as Canadian talent.

Mr. McGRATH: I understood you to say that they did not have to be landed immigrants but that they just had to take out residence in Canada.

Dr. STEWART: We have used the words "ordinarily a resident in Canada".

Mr. MACDONNELL: If they come with the intention of staying, is not that a legal conception of domicile?

Mr. PICKERSGILL: The way we determine that, according to law, is by means of becoming a landed immigrant. We have a specific definition in our law which I would think would be rather restrictive. I agree with what Mr. McGrath says. There are certain people who reside in Canada for their whole lives who never become landed immigrants.

Dr. STEWART: I do not think the problem has ever been presented to us, but it was our intention not to require Canadian citizenship in all cases, if there was evidence presented to us that the person was in Canada and intended to stay here.

Mr. PICKERSGILL: Perhaps you should get the advice of Mr. Halter, who is confronted with this problem all the time.

What would be your feeling in connection with a symphony with a foreign artist as a soloist?

Dr. STEWART: As long as it is produced in the studio of the station he can bring in those artists. For example, if the Peking ballet, or whatever it is, is touring the country, we may make arrangements to recognize this as well if it is done in the studio of a licensee or in the studios of the network.

Miss AITKEN: If the royal ballet were performing, say in Massey hall, and was televised, would that constitute Canadian talent?

Dr. STEWART: Yes. The wording is "in the studio or with the remote facilities of the licensee".

Miss AITKEN: I have one further question to ask, Mr. Chairman. If a Stratford play was televised, even though it was made up of outside talent, would that still be Canadian content?



Dr. STEWART: Yes.

Mr. McQUILLAN: Dr. Stewart said there was a definition of the word "talent". Is not the definition of that word largely determined by how much the station can get from the advertising sponsor for the production of that?

Dr. STEWART: I said we had no definition of talent. If the production is sold and the program is put on a station, then the Canadians participating in it are Canadian talent.

Mr. PICKERSGILL: But you would not exclude the ham actors who take part in a sustaining program, who are not paid themselves?

Mr. PRATT: Are you speaking of political broadcasts?

Mr. PICKERSGILL: No; I was thinking of some I had seen.

The CHAIRMAN: Are there any further questions under subsection (e)? If not, may we proceed on to subsection (f).

Mr. KEAYS: Under subsection (f), could I ask Dr. Stewart if there are any regulations which require licensees to make available to the C.B.C. programs of public interest and significance?

Dr. STEWART: Yes. There are provisions here under the affiliation agreement for the corporation to require these affiliates to tape programs of wide and general interest.

Mr. KEAYS: I am thinking of something which happened recently.

Dr. STEWART: Of course, this is a private station. In connection with this case, all I can say at the moment is that it will have to come to us for permission to form some kind of a network or hookup of stations, and if the application for a network is to include any C.B.C. affiliates, then there must be approval and consent of the C.B.C.

The CHAIRMAN: Are there any further questions on (f)? If not, we will proceed to section 11(1)(g). Have you any remarks to make on this subsection, Dr. Stewart?

Dr. STEWART: I think not. I take it that the members of the committee have the document, Broadcasting Act, radio (T.V.) broadcasting regulations, amended, which include all the amendments dealing with networks, because this is the action taken by the board under this general section.

The CHAIRMAN: Are there any questions under (g)?

Mr. PICKERSGILL: I have one question, which is a question of fact. I understand the board has given conditional approval to one proposed television network. Does that mean that if the person given the conditional approval is successful in carrying out the conditions that that would be the only television network that would be in competition, as far as the board can now foresee it?

Dr. STEWART: Yes.

Mr. PICKERSGILL: Apart from the public one.

Dr. STEWART: Yes, other than the temporary hookups of private stations which would come under section 13(4)(b), temporary hookups.

Mr. PICKERSGILL: At the present time are there any private networks in the radio field?

Dr. STEWART: I think there is one in the maritimes. We did have an application for a maritime network, and approval was given to that subject to the board receiving a satisfactory incorporation of the network or charter for the network, to ensure that it was properly set up. Some time later we had a meeting with the stations involved in the maritimes. They are not making very good progress on this, and I am not quite sure what the answer to it is. There is, I think, a network proceeding there, but it does not look at the moment as though it is as yet permanent in character.

Mr. PICKERSGILL: Could you suggest any reason why there would not be the same incentive to have a network in radio among private stations as there is in television. I realize this is a very hypothetical question, and if you would prefer not to answer it that would be all right with me.

Dr. STEWART: We have been interested in the possibility of a private national radio network, but I think the main stumbling block is the line charges over an extensive area in terms of the kind of revenue that can be obtained from radio.

Mr. PRATT: Certainly, the dominant factor is the tremendous cost of television as against radio, and it is forcing the private stations in television to form a network.

Dr. STEWART: In television, the cost of individual productions by individual stations, if they are to be of any quality, is quite considerable, and the opportunity of showing these on a number of stations is, I think, an advantage.

The CHAIRMAN: If there are no further questions under (g) we will proceed to (h). Have you any statement you would like to make on this subsection, Dr. Stewart?

Dr. STEWART: Under (h) we have issued a number of directives with regard to the conduct of hearings. We recently have reviewed these, and we have a document which has been distributed to the part-time members. This will be discussed at the meeting this week in an endeavour to formalize, bring together and modify, to some extent, the procedures which have been adopted.

Mr. PICKERSGILL: I wonder if I could ask Dr. Stewart if he could bring us up to date in connection with his relations with Mr. Sedgwick.

Dr. STEWART: As far as the chairman of the board and Mr. Sedgwick are concerned, they are of the most amicable character.

Mr. McGRATH: Dr. Stewart, are there any provisions in your regulations governing the presentation of an application, or do you propose in incorporating such regulations to permit individuals and organizations to present briefs on behalf of applicants?

Dr. STEWART: Section 11(2) refers to affording licensees an opportunity of making representations; 12(3) deals specifically with applications for licences, and we have interpreted these as not exclusive in permitting organizations to make representations either for or against an applicant. The only condition we lay down is that the people who are speaking represent some significant group and are not, in fact, just individuals.

Mr. McGRATH: Can these organizations present their briefs orally?

Dr. STEWART: They can present their briefs orally.

Mr. BALDWIN: I have a supplementary question. Does that right include the right of the representatives of these individuals or groups to cross-examine on briefs filed by other applicants?

Dr. STEWART: No. The board does not permit any cross-examination.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: Yes, Mr. Chairman. That question does raise a big question. Why not?

Dr. STEWART: I think the basic answer is the question of time, and we feel that the arrangements the board have set up are a reasonable compromise between giving people the fullest possible opportunity to be heard with the practical consideration of the length of time. In the United States, I understand, they get months behind in their applications, and some applications lie around the federal communications commission for years before they are

disposed of. You have to have some expedition in this matter, and we think our regulations are reasonable in giving people an opportunity to be heard without having too extended hearings.

Mr. FISHER: Mr. Chairman, I was not here at the commencement of this hearing in view of the fact I was attending another. I would like permission to revert to another section for a few minutes, if it is agreeable to the rest of the members.

The CHAIRMAN: Mr. Fisher, perhaps if you would leave that until later. We have agreed that we will permit later on a very broad examination on this whole matter of political broadcasting and so on. We wanted to expedite the hearing today in order to get through as much of this as we could.

Mr. McGRATH: On a point of order, Mr. Chairman, I would suggest that Mr. Fisher be permitted to revert to certain sections, providing his line of questioning has not been raised already.

The CHAIRMAN: That is my point. If Mr. Fisher reads the evidence given so far, he might find that his question has been answered.

Mr. FISHER: This is a specific case which I want to bring up, and the reason for wanting to do it at this time is that there is a bill before the house in relation to it.

Mr. PICKERSGILL: Is it on section 11?

Mr. FISHER: Yes, subsection (c).

Mr. CHOWN: If Mr. Fisher is allowed to raise his question, the remaining members of the committee should then be given the opportunity of asking the questions which they deferred.

Mr. FISHER: I agree. I am sorry.

Mr. PICKERSGILL: Mr. Chairman, we are coming to the end of the section soon, and I would suggest that after we finish this section we could then give Mr. Fisher an opportunity of asking his question before we proceed to section 12.

Mr. McGRATH: Providing it is strictly a supplementary question.

Mr. PICKERSGILL: Yes, supplementary.

The CHAIRMAN: Are there any further questions on this section?

Mr. BALDWIN: You intimated, Dr. Stewart, that the right of cross-examination was not permitted. Would you permit an opportunity to reply?

Dr. STEWART: Yes. Our normal procedure is this. If there is an application and an opposition, then we hear the applicant. We then hear the opposition, and after that the applicant has the right of rebuttal.

The CHAIRMAN: If there are no further questions in connection with this subsection, we will proceed to subsection (i).

Mr. PICKERSGILL: Mr. Chairman, I would be pleased if Dr. Stewart could make a brief statement on this. I would be interested particularly in having him tell us how far the board looks into the financial affairs of applicants—and I have in mind particularly what has happened in the last while at Vancouver.

Dr. STEWART: We receive through the Department of Transport financial statements for the operating years of the stations. We are working now with the dominion bureau of statistics and the Department of Transport in order to try to coordinate our efforts in this, because D.B.S. is preparing now an annual report on the industry and it is our desire to work together on it. Of course, the difficulty with this information is that it is out of date, if you are interested in the immediate situation. The only further action the board has taken is this. In at least two markets, we have asked the licensees for monthly statements of revenues up to the current date in order that



we could see what the situation in the market is currently in terms of revenue. We have not experienced any difficulty in getting the information we request from the licensee.

Mr. MACDONNELL: There does not seem to be many of them in the poor-house.

Mr. FISHER: Yet.

Mr. PICKERSGILL: Is the Vancouver station not claiming now that it is unable to live up to the financial commitments it made?

Dr. STEWART: To which station are you referring?

Mr. PICKERSGILL: The Vancouver television station.

Dr. STEWART: No sir; we have had no such representation from the station.

Mr. McGRATH: What precautions do the board take against people or individuals who I might term as promoters, who are purely promoting a radio licence on speculation, and who sell their licences after to people who are able to finance the operation?

Dr. STEWART: Well, a general review is made during the hearing of the participant for the application, and the board forms their own judgment as to the nature of their contribution. We have never encountered any recent licensee disposing of his station except in two cases, where financial difficulties were involved.

Mr. McGRATH: In disposing of his station, may an individual dispose of his licence before he actually gets his station in operation?

Dr. STEWART: That is impossible. As you know, we make a recommendation to the Minister of Transport, and if an order in council is passed, then the Minister of Transport issues a license.

Upon the issue of the license, which is the action of the Minister of Transport, it is then up to him to see that the conditions are met.

Now, occasionally there will be changes in the share structure which develop between the time of the hearing and the time the station goes on the air. These are referred to us by the Department of Transport because they were in fact conditions on which the licence was granted; and, as in other cases, the board deals with them as they consider proper.

Mr. CARON: If they should sell their shares in the company, it has to be reported to the B.B.G.?

Dr. STEWART: That is right, and we have to make a recommendation to the minister on it.

Mr. BALDWIN: At page 16 of his brief Dr. Stewart deals with 13 factors to which the board gives weight. Three of them deal exclusively with finance. Do you feel that these are adequate to protect the financial aspects of the application?

Dr. STEWART: We do the best job we can in examining the financial structure and liability.

The CHAIRMAN: Are there any more questions under paragraph (i)?

Mr. FISHER: Yes, I am interested in this question; have you considered setting out in greater detail than you have at any place I have seen a more positive statement of ideal programming?

Dr. STEWART: The board has not attempted to define balanced programming in terms of percentages of different types of programming, no.

Mr. FISHER: From reading the hearings, it was very nauseating the way the applicants seemed to plump for culture, running along the list of names from Alan Jarvis right down to the square dancers on the Red River.

I wonder if you would consider issuing a statement on the factors in programming as a guide toward helping the applicants and to saving much of this competing in the community, in an effort to direct various groups and to integrate them in support of the various applicants for licences?

Dr. STEWART: There is this proposition, that the board attempts to give the applicant or licensee a clearer definition of what the board feels is a satisfactory balance of programming. This is an interesting proposition which does concern us. But we have not done anything in this line up to the moment because of the rigidity which would tend to get into it if you set out a formula. However, we recognize that in the complicated Canadian situation, with great diversification of stations and situations it would be unwise, I think, to attempt to define narrowly and to plan as far as programming is concerned with a formula which would have to be applied in a particular situation.

Mr. FISHER: The question here is surely the concept almost of what is Canadian culture? Why do we have to have all these projections on the learned side of the community in order to justify a commercial operation, or to stand behind what is going to be a commercial operation?

Dr. STEWART: I think the essence of this is service to the community, and it goes back to the wording of section 10 with respect to the varied and comprehensive broadcasting service. In our view the essence of it is that there are minorities in a community, and that the minorities should get some service. This means diversity.

Mr. FISHER: I quite agree; and we also have the C.B.C. which is designed to create a certain kind of programming too. Evidently they are going to attempt to cover the spectrum. One would gather that from reading their brief.

Is there a difference in the kind of program which you might reasonably expect from a private station, and from the C.B.C.?

Dr. STEWART: Yes, we think so, although we do not actually go so far as to say that a private station has no obligation to provide a varied service. But we do agree that there is a special responsibility which rests upon the C.B.C.

Mr. FISHER: What is it?—A regional difference, or a legal difference, or a national difference?

Dr. STEWART: Primarily it is national.

Mr. FISHER: Oh yes.

Mr. MACDONNELL: Am I correct in my understanding that what Mr. Fisher is getting after is some lead which might be given to the private station?

Mr. FISHER: Yes.

Mr. MACDONNELL: I am very interested in that too.

Mr. FISHER: Let me give you an example. In the city of Toronto there is something which I think is of national significance. It is the football telecast. Is this not to be considered as an example of national programming? I think a lot of people would interpret it that way.

If, from the standpoint of the private network or the private station, these are going to be regional and local rather than national, immediately the question comes up that maybe this is the sort of thing which should be carried by the national network or by the corporation that has the national responsibility, that is, the C.B.C., provided interest in football is national.

Dr. STEWART: I think interest in football is national. I do not mean to say that interest in the Hamilton Tigers is national, for example. In other words, while I say that I think the Grey Cup is of national importance, I do not suppose that interest in a game between the Argonauts and the Tiger Cats is national.



Mr. FISHER: You are not a sports fan.

Dr. STEWART: You have not seen the letters that we have had from some people in some parts of the country complaining about the amount of football that is foisted on them.

Mr. FISHER: Let us return to the question of what you expect from the private stations. You have intimated now that we are going to have or to expect a different kind of programming, and that you are prepared to make allowances for it. Have you given to the private stations a fair picture of what you expect between what they will produce and what the C.B.C. will produce?

Dr. STEWART: I do not think that we can do that. That is the whole point. They are licensed to serve their communities. They are concerned with a variety of people who have a variety of needs, and it is their responsibility to meet those needs. That is our approach to it.

Mr. FISHER: What change will develop as they become parts of a private network, a private national network?

Dr. STEWART: We think that one of the advantages of the network is that there will be the possibility of seeing programs produced in various parts of the country by a variety of stations on the network, and that this will make a contribution to the national purpose by exposing programs produced, let us say, in Vancouver on a private network, or programs produced, let us say, in Halifax, on a private network. This is part of the national purpose that we believe is implicit in the act.

Mr. FISHER: In the licensing of private networks, are you going to set up any incentives and to say that this is a private network which will be of a national character?

Dr. STEWART: We have prescribed that the applicant who receives approval to form a network must come back to us with at least six of the eight English language stations affiliated to his network. This would involve necessarily an extensive network not confined to the central provinces.

Mr. FISHER: What are you prepared to consider in terms of allowing some kind of reciprocal shifts between the national network operated by the C.B.C. and a national network operated by private stations?

Dr. STEWART: Outside of reserved time it is possible for stations affiliated with one of the networks to take programs from another network in either direction outside of the reserved time.

Mr. FISHER: Who determines the reserved time?

Dr. STEWART: This is arrived at in the affiliation agreements which are submitted to the board.

Mr. FISHER: Can you say that there is a role for you to play?

Dr. STEWART: I would say so, yes.

The CHAIRMAN: Are there any other questions? I think we are on subsection (i), but I do not know if we have held strongly to it or not.

Mr. CARON: In connection with the subject of national networks and football broadcasts, suppose a station has bought the rights to a football broadcast. Now, if in a certain section they have no private station, will the C.B.C. carry on with the private station?

Dr. STEWART: This is a matter at the moment at least for determination by the C.B.C. I am aware of the situation to which reference is made, and I think that all I can say as chairman of the board at this point is that an application would have to be made by CFTO-TV to the Board for permission to hook up other stations, whether it is Ottawa, Montreal or a more elaborate hook-up; they will all have to come to the board for approval. If they wish to incorporate another network station which is affiliated with the C.B.C. they will have to go to the C.B.C. and try to work out some arrangement with them.



Mr. CARON: So, up to now, if there is no arrangement included, only Toronto will get it?

Dr. STEWART: That is right.

Mr. MACDONNELL: Following Mr. Fisher, I want to ask this question: Is it a fair statement that the C.B.C. may be regarded as trying to raise the standards of Canadian culture by putting on programs which are definitely of a high standard? I am thinking of reviews of literature. We have had a man named Ezra Pound, not long ago. It was away over my head, but I was glad to have had it. It seems that they were working towards raising the standards.

If you were to ask the Canadian people if they wanted this one I fear many would say they did not. But we have to consider this question in its proper light.

Do these private stations not consider that it is their duty to bring us something of the early history of Canada for example something which would not be just the ordinary trivial, worthless forms of amusement that most of us like to spend our time at? Have you anything to say on that problem?

Dr. STEWART: Yes, Mr. Macdonnell. We think that this can be done; and certainly, in the hearings having to do with application for a second television station, the board has indicated its interest in the commitment of the applicant to do just this sort of thing.

Mr. MACDONNELL: Do you feel you have any right to say to them that they should do this sort of thing?

Dr. STEWART: We have general powers under section 10 to ensure a varied type of programming of a high standard and basically Canadian content in character.

The term "high standard" is a difficult one to apply; but in any event we feel that we have the power to determine and move towards a higher standard, that is, to develop a high standard.

My opinion is that this can be done best and most effectively within the responsibilities and the powers of board by insisting upon variety.

The lack of variety is due to the tendency of broadcasters to broadcast to mass or majority audiences. Now, people who have higher standards in the sense in which you are using the term, are in the minority. But they have a right to be served, and a right to be served by the private stations as well as by the C.B.C.

The board certainly can insist upon the private stations providing some variety of programming so that this minority in fact have the opportunity to be served.

Mr. MACDONNELL: Perhaps you may reassure me and tell me that the private stations are doing as much as C.B.C. has done or continue to do?

Dr. STEWART: I think it would be incorrect to say that the private stations will do as much as the C.B.C. in terms of minority broadcasting, but they will do some, and that "some" will be in addition to the total amount of minority broadcasting which is available to Canadians.

An hon. MEMBER: Somebody says that private broadcasters cannot afford the C.B.C. Wednesday night programs.

Mr. SIMPSON: I understood Dr. Stewart to say that he did not feel that there is an obligation upon the board in this particular instance, where the station which has not made this arrangement to televise these games should get it, or whether the C.B.C. should be given a chance at it. I understood him to say this was something not considered in the national interest.

Getting back now to the Grey Cup, he admits that this is of national interest. Do you feel that there is any merit in taking a look at it?

That network is set up possibly to cover only certain parts of the country as against the C.B.C., not all the country by any means, but to cover Canada fairly generally.

Do you think the board would have any obligation then to say that a national network should have the advantage of getting this or will it still say it is open for competition, and that whoever pays the more will get the Grey Cup game?

Dr. STEWART: I am reluctant to give an answer to that because it would be purely a personal answer, since the matter has not been dealt with by the board.

I would like to see this particular case come forward to the board and for the board to have a chance to look at it and consider perhaps what it would do with it. This is the first situation of its kind the board has had to deal with since private stations came into existence, and I would rather not give you an answer as to what the board would do until it has had a chance to consider the case.

Mr. SIMPSON: I do not think it would probably come up at this stage, until you got a network—a private television station. I do not think a one-shot venture could come close to it, but a network could.

Dr. STEWART: I think when dealing with this case the board will have to bear in mind other possibilities, such as the Grey Cup game, which could come up. Whether this is a practical possibility or not, or whether a private station could possibly acquire these rights, I do not know.

Mr. McCLEAVE: This question is supplementary to that of Mr. Macdonnell's and it deals with subsection (i). Since you are aware of the financial affairs of the different stations, and can thus determine whether individual stations are in a position to carry out these specialized broadcasts for minority groups, and the Ezra Pound type of broadcasts and so on, is there any thought approaching this matter of a more varied fare by dealing with it on an individual station basis rather than with the whole private broadcasting industry in general?

Suppose you require one of these rock and roll stations to knock off some of the rock and roll?

Dr. STEWART: Well, the board must actually deal with individual licensees, and we do have relations with associations of private broadcasters, but in the final analysis, our responsibility is with the licensee of the individual station. While there is responsibility, and while it may not appear in many cases, or not in all cases—but in many cases, we would like to see a more varied program fare on some radio stations, and we have been working at this problem.

Mr. McCLEAVE: If I might follow along this line of questioning, there was one city which shall be nameless, but which begins' with the letter T, where some six or seven or seven or eight stations were found to be broadcasting exactly the same type of fare at the same time, and there was criticism of some failure. And I know of another city which begins with H, where the late morning period was devoted strictly to western type music.

Have you an approach which could be made to these two cities?

Dr. STEWART: We are working on it in a variety of ways. We would deal with such a station when it came up for renewal of its license, or when it came before the board asking for further consideration and extension of facilities and so on. These are matters which we would raise with them.

I have to point out that we are back at the problem of getting a varied and comprehensive broadcasting service, and I think there is room for some variety in the nature of the programming of individual stations within a given market.



If you have three or four stations, they can, I think, develop different images, with different and general types of programming. But our view nevertheless is that each of them has some responsibility for some variety of programming.

Mr. McCLEAVE: My point is that competition largely in the field of the television industry has been a matter of jumping on a particular bandwagon at a particular period of time.

Mr. CHOWN: As a supplementary question, might I ask if there is enough information in the logs provided by the stations to allow a diagnosis in the programming they are putting on?

Dr. STEWART: Not really, no. You do not get the character of the program. You may get some feel of it, but we feel that more monitoring is necessary to keep in touch with them, and we have tried to do some.

Mr. CHOWN: How is that done?

Dr. STEWART: We have had the cooperation of the Department of Transport in doing this. They have field staff in various parts of the country, and they are very cooperative. We have the offer to do monitoring right across the country.

Mrs. CASSELMAN: In diversification, in the matter of sports, do you try to balance or break down sports into professional and amateur? How far have you gone along that line?

Dr. STEWART: With respect to the allocation of the return of information, we have distributed on January 20 of this year, a directive to the stations indicating the codification that we would like them to use to enable us to see the nature of the programs. There are four broad classifications here, with fourteen minor classifications of programs. So we will now be able to get this information indicating which of these fourteen categories are specific programming for this group.

Mr. BALDWIN: This is supplementary to the broad field raised and developed by Mr. Fisher and Mr. Macdonnell. I take it that you are familiar with the statement in the Fowler report, and that you feel it is your responsibility to reflect the spectrum of public opinion.

Dr. STEWART: Yes, as far as the board is concerned, yes.

Mr. FISHER: I find when I watch television that I enjoy the American programming in the public affairs field in particular much more than I do in the Canadian field. I feel that there is a higher balance. Have you given any consideration to ways in which you could encourage more American public affairs and educational programs in Canada on the private stations and on the C.B.C.?

Dr. STEWART: We have given some considerable thought to that particular problem of educational programming. We have had a number of representations that the board should include educational programs, let us say, brought in from the United States. There are a number of agencies in the United States producing educational programs; and we have had representations that the board should rate these as Canadian content, so that they would contribute to our 45 to 55 per cent Canadian content and thereby be an incentive to broadcasters to use such programs.

We have not agreed to this at the moment on the grounds that to use the Canadian content qualification in order to provide an inducement to import educational programs would be an abuse of the concept of the Canadian classification and we have not as yet found any other means of stimulating this kind of imported program.

I have written to applicants and said to them: it is possible for you to use this material in programming, which has some Canadian basis. For example,



for a university to ask to put on this program, it can thereby build up a program itself, and it can use some of this material within the program; but a sufficient percentage of it must be of local character before you will get the Canadian classification.

Mr. FISHER: There is a conference coming up next month in connection with this. I saw one very good series on the teaching of mathematics which was put out by an American agency. It was magnificent teaching, and excellent television, yet it will be almost unknown here unless you devise some incentive. How are you going to get that type of programming here?

Dr. STEWART: We have also said, of course, that if a station wants to put this on in the morning—and none of the new stations are advancing yet into the morning—then this type of programming could be put on. The board would certainly give its approval to it.

Mr. FISHER: What is the difference between information coming from Britain and information coming from the United States?

Dr. STEWART: We give a 50 per cent Canadian content to Commonwealth productions.

Mr. FISHER: This is all very well in terms of sentiment, but in terms of real value, the American community is putting out educational and public affairs programs which have much more relevance to the Canadian situation than Commonwealth countries. Would you not agree?

Dr. STEWART: I do not know.

Mr. FISHER: I did not think I could catch you.

Mr. MACDONNELL: That means that if we are going to have the high quality stuff which Mr. Fisher wants, it is going to be American. That seems to be a rather painful conclusion to arrive at. Are we going to encourage that, more and more?

Mr. MCQUILLAN: Is not one of the damaging factors of regulating programs the fact that you might very easily plunge the radio and T.V. industry, in connection with private interests and ownership, into a tremendous deficit position, which would not be unlike the C.B.C.?

Dr. STEWART: I made the remark the other day that the board always has to be conscious of the relationship between costs and revenue in a private operation. You can push them just so far, and beyond that they simply could not operate. It is very difficult to find that margin and to retain that kind of margin. It would be quite possible for the board to regulate private stations out of business.

Mr. MCQUILLAN: And, thereby, destroying a service.

Dr. STEWART: There would have to be an alternative service.

Mr. PRATT: Has there been given any specific encouragement to the production of recorded programs on film and tape with a view to giving Canadians more work, and also with a view to the possibility of exporting programs to other English-speaking countries, and thus bringing in some revenue?

Dr. STEWART: Yes, we are well aware of this problem. In the regulations for Canadian content there is reference to taped and reproduced programs, so that these are available for Canadian content under the specified conditions. I think the other point you raised is extremely important, and it came to my mind when Mr. Fisher referred to a U.K. commitment as being merely a matter of sentiment. I assure you it is much more than that. The United Kingdom will accept as British—and they require 86 per cent British under their quota arrangement—14 per cent non-British, but they will accept any bona fide Canadian production as 100 per cent British, under their quota. Now, we modestly offer them 50 per cent. I have discussed this with Sir Robert Fraser

of the Independent Television Authority, and I know they are quite unhappy about the fact that they give us complete reciprocity, and we give them 50 per cent. However, I think they will go along with us, providing we play ball with them. The kind of programs to which we can give Canadian content are the kind that are generally Canadian produced and can be used in the United Kingdom. There is no question about it that one of the important elements in the expansion of Canadian production and programs in television is the possibility of the sale of these in the commonwealth countries. If we can keep that market open for them there is a greatly enlarged possibility for Canadian production.

Mr. PRATT: I have a supplementary question. Would it not be possible to place some emphasis on the import of the more intelligent type of U.K. programs and less on the unintelligent programs we are receiving from the United States.

Dr. STEWART: I think perhaps something could be done here. I think it is very difficult for the board to get into a pattern of preference for certain types of programming. Canadian content is perfectly clear; it is in the act, and we are instructed in the act to do this. This is something to which it is possible to give a fairly precise, quantitative administrative simple definition. There has to be so much Canadian content. When you turn around and talk about inducement to use educational programs or inducements to provide more intelligent programs from the United Kingdom, you get into a very much more difficult area, and we have not tackled this as yet.

Mr. PRATT: I do not mean just educational programs. Many of us find that a great deal of the comedies made in England are of a much higher quality in nature and I think they would be much more acceptable to the average Canadian than the blood and violence we get on American westerns.

Dr. STEWART: I think it is up to the operators of the stations to get the kind of programming that will be most acceptable to their audience. They should be discriminating in what they acquire.

The CHAIRMAN: Have you a question, Mr. McIntosh?

Mr. MCINTOSH: I was just wondering, when Dr. Stewart was answering Mr. Fisher in regard to this question on educational programs, whether you have experienced any difficulty with any of the provinces in this connection, as education is a provincial responsibility?

Dr. STEWART: No, we have not. We have been approaching this question of educational broadcasting very carefully, and it is primarily for this reason: that if you are talking about formal education as distinct from the informal adult type of educational programs, I think we would have to recognize it is basically a provincial responsibility. We have been encouraging, as far as we can, organizations like the Metropolitan Educational Television Association in Toronto, which has in fact applied to the board for reservation of a U.H.F. channel for educational purposes. Now, we are prepared to encourage this type of operation as far as we can, but we do say it has to be operated by a responsible educational body, if it has to do with formal education.

Mr. MCINTOSH: Well then, is it my understanding that you have made no approach to the provinces yet to use that type of formal education over T.V. networks?

Dr. STEWART: No, we have not.

Mr. MCINTOSH: Do you intend to in the future? Do you foresee the need of it?

Dr. STEWART: We have been working on some kind of an advisory committee on educational broadcasting, not duplicating what the C.B.C. has but for our purposes, having in mind the provincial responsibility here, and we



have discussed with the Canadian Educational Association the possibility of some kind of a group with which we might work and which represented the provincial interests in order that we might feel sure we were moving in step with the provinces and not contrary to their wishes.

Mr. CHOWN: You mentioned previously to Mr. Baldwin that the board considered itself to be a reflection of public opinion.

Mr. FISHER: Was that the phrase? I do not believe it was.

Mr. CHOWN: Well, he can correct me if I am wrong.

Mr. FISHER: He said spectrum of public opinion.

Mr. CHOWN: I was wondering what happened to the report that Miss Aitken sought to capture from a widespread and representative body of Canadians across the land, and whether in seeking that reflection of public opinion—if I may use that expression—she did it with the blessing of the board. Also, whether ultimately there was a return, which may be of interest to the committee.

Dr. STEWART: The action was taken by the corporation on Miss Aitken's suggestion without reference to the board. It was purely an internal matter in the corporation, and it was related to their own specific responsibility as a programming and operating body. We have no report from the corporation as to how effective that was or what use they made of it.

Mr. CHOWN: You have not done such a thing yourself?

Dr. STEWART: No, we have not.

The CHAIRMAN: Have you a question, Mr. McGrath?

Mr. McGRATH: My question has been answered, sir.

Mr. PRATT: Mr. Chairman, I would like to ask Dr. Stewart if any effort is being made to raise the standard of commercials and, particularly, to prohibit deceptive commercials?

Dr. STEWART: Most of the action here has been taken in connection with pure food and drugs, and also in the case of beer and wine advertising, because in these cases continuity has to be submitted to the board for approval, so there is a direct means of dealing with advertisers in advance.

Mr. PRATT: But, only in those fields?

Dr. STEWART: Yes.

Mr. PRATT: There is a much larger general field in which deceptive advertising is apparent every day in the week. Has nothing been done in this other more general field?

Dr. STEWART: No.

Mr. PRATT: Will something be done?

Dr. STEWART: I am inclined to feel that this is a matter which is much more general than that of broadcast advertising, and my own personal view—and I cannot express the board's view, because I do not know what it is—is that legislation dealing with deceptive advertising should be general in its character and not specific to any particular medium.

Mr. PRATT: What other body would you suggest that would initiate action against the companies who do indulge in deceptive advertising at the present time in the broadcasting media?

Dr. STEWART: What I would like to see is general legislation on this subject affecting all media, and if there was such general legislation I think the board would then be prepared to administer this within the broadcasting area.

Mr. PRATT: Would the board be prepared to present a request that such legislation be drafted?

Dr. STEWART: I am prepared to ask the board if they would do that.



Mrs. CASSELMAN: How is this 50 per cent Canadian content, in connection with Britain, set up? Who decided that?

Dr. STEWART: The board decided that, and it is incorporated within the T.V. regulations.

Mrs. CASSELMAN: In connection with this reciprocal basis, could there be some consideration given to that being raised?

Dr. STEWART: Yes, there could be. Again, I think I would give the same answer we gave in respect of the advertising and the classification of advertising material—that we would like to see our present regulations operating, how they are operating and the kind of result we are getting, and then there might be a number of possibilities for changes.

Mrs. CASSELMAN: I strongly support Mr. Pratt's views along that line. I would like to see more British content rather than so much American. There is an awful lot of these American mystery and shooting programs. Just the fact that the programs are from different countries would give them a different tone, and would give the required diversification.

Dr. STEWART: I do think that this was strongly in the board's mind when they introduced this U.K. preference, and that this definitely tied in with the variety of programming we wanted. There is a difference between the commonwealth material and that from the United States. This does bring variety to our programming and, as I say, I think the board would be prepared, after things have settled down and after we see how things are operating, to take another look at this U.K. or commonwealth content.

Mr. FISHER: I am still bothered by this particular line of thought. Suppose we take the great British figure, Lord Russell, and an American figure, like Dr. Linus Pauling who has similar views in the same field, that in the field of philosophy and nuclear disarmament. Their contribution would generally be considered of a high standard, and yet Lord Russell is getting the advantage. There is a 50 per cent advantage there and, in this respect, I would like to argue that we are a North American country, and in the field of high standards of public affairs programming the Americans take a back seat to no one, including the British. I am still anxious to know if you can devise some incentive that will bring that kind of programming into Canada.

Dr. STEWART: Please bear in mind that the regulations provide that 45 per cent of the content can come from the United States, and this is a fairly substantial proportion from one source. However, it does not change the principle you bring up—that we should differentiate between the kind of programming and provide certain inducements for certain kinds.

Mr. FISHER: I am referring to the blanket condemnation of the American program.

Dr. STEWART: I think this is a misconception. There is a very general misconception with respect to the effect of these regulations, and it is this: that because the board has introduced a regulation affecting Canadian content it is obviously going to substitute Canadian programs for American, and they think that it will affect the Ed Sullivan show, the Perry Como show, and that these will be cut out. This is a ridiculous assumption. That will not be done. It will be the third rate B films that will be cut out. The stations will still be looking for good American programs, and it is the poor American programs which will be discarded for the Canadian programs.

The CHAIRMAN: On that note I think we will have to adjourn.

The next meeting will be at 9.30 on Thursday. The meeting will be held in room 238S, as we are unable to get this room on that date. The Canadian Association of Broadcasters will be here.

Your vice chairman, Mr. Fortin, will be in charge of the next meeting, and I hope you will co-operate with him as much as you have with me.

May I have a motion to adjourn?

Mr. CHOWN: I so move.

—The committee adjourned.





HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

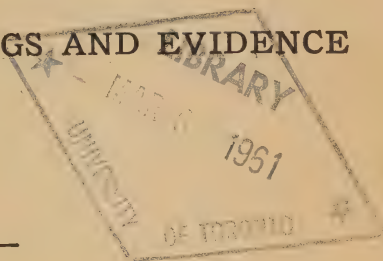
*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

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THURSDAY, FEBRUARY 23, 1961

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WITNESSES:

Messrs. Murray T. Brown, Ralph Snelgrove, T. Jim Allard, Don Jamieson, of the Canadian Association of Broadcasters.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

Chairman: Mr. George C. Fairfield

Vice-Chairman: Mr. Louis Fortin

and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forgie

Grenier  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell  
Morissette

Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Calgary South*)  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 238-S.

THURSDAY, February 23, 1961.

(5)

The Special Committee on Broadcasting met at 11.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Allmark, Baldwin, Caron, Chown, Creaghan, Danforth, Fairfield, Fisher, Fortin, Keays, Lambert, Macdonnell (*Greenwood*), McIntosh, McQuillan, Mitchell, Pickersgill, Pratt, Robichaud, Rouleau, Smith (*Calgary South*), Smith (*Simcoe North*)—23.

*In attendance:* From the Canadian Association of Broadcasters: Mr. Murray T. Brown, President; Mr. Ralph Snelgrove, Vice-President (Radio); Mr. T. Jim Allard, Executive Vice-President; Mr. D. M. Neill, Immediate Past President; Mr. Don Jamieson, Member of Executive Committee; Mr. Tachereau Fortier, Q.C., Legal Counsel and Member of Executive Committee.

The Chairman reported on behalf of the Subcommittee on Agenda and Procedure that it was recommending that the Committee proceed with the witnesses appearing on behalf of the Canadian Association of Broadcasters in the same manner as it had carried on when the members of the Board of Broadcast Governors were before the Committee and that later, the representations contained in the brief submitted by the Association could be studied further, that the same procedure be followed when the C.B.C. officials appear, in turn, before the Committee.

On motion of Mr. Lambert, seconded by Mr. Smith (*Calgary South*), the recommendation of the "steering" Subcommittee was unanimously agreed to.

The Chairman then introduced the members of the delegation representing the Canadian Association of Broadcasters, as indicated hereinabove. (See "*In attendance*", above).

Mr. Murray T. Brown was called. The witness read a short statement described as an addendum to the brief already submitted by the Association.

The Committee then proceeded to a section by section review of the Broadcasting Act, 1958, with Messrs. Brown, Allard, Jamieson and Snelgrove under questioning.

And the examination of Mr. Brown and others still continuing, it was postponed until the next sitting.

Mr. Fisher requested, and it was unanimously agreed, that the Committee allow an alternate to represent the CCF-New Party Group to take part in the deliberations of the Committee, without right to vote, on such occasions as when Mr. Fisher is unavoidably engaged elsewhere.

The Chairman suggested that in view of the fact that some of the officials of the Canadian Association of Broadcasters, presently appearing, came quite a long way the Committee might consider the possibility to sit on Monday



afternoon next if the presentation of the Association has not been completed by 1.00 o'clock p.m. After discussion it was decided to refer the question to the "steering" Subcommittee for decision and recommendation.

At 11.00 o'clock a.m., on motion of Mr. Chown, the Committee adjourned to meet again on Monday, February 27, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

THURSDAY, February 23, 1961.  
9.30 a.m.

The CHAIRMAN: Gentlemen, the subcommittee met the other day right after our meeting here, and decided that in so far as the Canadian Association of Broadcasters is concerned, we would ask them to make a short initial statement of what their ideas were in so far as the act, or any changes in the act, were concerned; and then they would be examined on the act, as we had decided in the past to handle all these three groups, the B.B.G., the C.A.B., and the C.B.C.

Today we have with us the president of the Canadian Association of Broadcasters, Mr. Murray T. Brown, who is seated on my immediate right. Next to him we have Mr. T. "Jim" Allard, Executive Vice-President of the Canadian Association of Broadcasters.

In addition we have Mr. D. M. Neill, immediate past President of the Canadian Association of Broadcasters, Mr. Don Jamieson, a member of the executive committee, Mr. Taschereau Fortier, legal counsel and a member of the executive committee of the Canadian Association of Broadcasters, and Mr. Ralph Snelgrove, vice-president, (Radio), of the Canadian Association of Broadcasters.

I understand there is a possibility that some of your questions might involve more than one member in so far as this personnel is concerned. I mean they may involve any other member of this group here. So is it the wish of the committee to carry on this way, as I have suggested, and then to ask these members, if necessary, to stand up and answer questions? What is the wish of the committee?

Mr. LAMBERT: I think the proposal of the subcommittee is that the Canadian Association of Broadcasters present a brief, that they base their comments on the interpretation of the act as it now stands, and that subsequently the committee may feel free to question them on further matters. Is that right?

The CHAIRMAN: Yes. I do not think we are going into the brief at all. We are going to carry on with the plan that we decided on at first, which is a consideration of the act. We hope that possibly we may be through with these people in one or two meetings, and recall them later to go into the broad scope of copyright and so on. However, we want to get their interpretation of the act, to day and at a subsequent meeting if necessary, and then to have them come back in the regular manner. Is it agreed?

Mr. LAMBERT: I move that this committee adopt the proposal of the subcommittee.

Motion agreed to.

The CHAIRMAN: Now Mr. Brown, have you any comments you would like to make?

Mr. MURRAY T. BROWN (*President of the Canadian Association of Broadcasters*): Mr. Chairman, ladies and gentlemen: We would like to make a very brief opening statement, and we hope that we will have an opportunity to amplify our views on adjustments or changes in the act as we go through the act itself.

In our brief, which you have, you will note that and—first of all I would like to make reference to the association itself—

The Canadian Association of Broadcasters represents 162 private radio stations and 49 privately owned television stations. The Association expresses in the brief, which was prepared at the request of the House of Commons special committee on broadcasting, its belief that the new Broadcasting Act seems to be working well. The Association does, however, suggest consideration of amendment to the act to strengthen its purposes further.

We suggest removal of the 48 hour ban immediately preceding election days in the interests of a continuously better-informed public. Our brief also suggests change in the ruling requiring identification of political announcements, both before and after these, suggesting one or the other, but not both. Our brief also deals with certain new electronic developments whose end result is broadcasting, but which are not defined as broadcasting in existing legislation.

Our brief suggests that all broadcasting in Canada regardless of its mechanical form be bound by the public policy objectives of the Broadcasting Act.

Our brief also suggests that stations be permitted to appeal orders suspending licenses on questions of fact as well as on questions of law.

Now, in addition to the suggested amendments contained within the brief itself, we have a few other changes to suggest which we hope we may bring out as we go through the act.

In conclusion, in suggesting these changes, the Canadian Association of Broadcasters re-emphasizes that the new broadcasting legislation is in general working well, and express its opinion that the Board of Broadcast Governors is providing responsible and effective leadership to the broadcasting industry of Canada.

It commends the government on quick implementation of its pre-election pledges to improve the regulatory structure of broadcasting in Canada and to permit additional alternative television service.

The CHAIRMAN: Now, gentlemen, in so far as the act itself is concerned are there any questions on part I, section 2, in respect of the interpretation of the words "board", "broadcasting", and so on.

Mr. BALDWIN: Has the Association, or its legal counsel anything to suggest as to change in subsection (b) of section 2 which would amplify their views with regard to the widening of this term "broadcasting"? What suggestions have you to make to give effect to your views?

Mr. BROWN: You are referring to (b) of section 2. We have this suggestion to make which is in connection with our quite lengthy reference, in our written brief, to what generally is called wired or closed circuit broadcasting. The suggestion we made is that the definition of broadcasting be changed to include that. There have been certain developments since that time which have altered our stand somewhat. If it meets with the approval of the committee, Mr. Chairman, I would like to read it. It is relatively short, but I think it does affect our position in regard to this particular section.

The CHAIRMAN: Is that agreed?

Agreed.

Mr. BROWN: We wish to emphasize that the comments on *wired television* systems contained in our written representations are not designed to suggest extension of areas of regulation. These comments were intended to point up these facts in relation to Canadian broadcasting:

1. It appears to be the intent of parliament that the entire Canadian broadcasting system, comprising public and private elements, radio and television, affiliated and unaffiliated stations, should of itself be a service alternative to the U.S. radio and television signals easily available to nearly all Canadians.



2. Broadcasting has been selected as an instrument for furthering certain public policy objectives, especially in relation to the Canadian identity and Canadian unity. This fact unquestionably brings up major economic and other difficulties and we wish to make it clear that we do not complain of these. First, broadcasting insofar as the private sector is concerned, is required to assist in fulfilment of these public policy objectives at its own expense in contrast to the policy of subsidy followed in other industries in like instances. Second, this situation requires broadcasting to try and solve daily the puzzling dichotomy in Canadian life in which Canadians officially desire more Canadian programming but unofficially and privately have a marked tendency to select U.S. programming when available, either directly or from Canadian stations.

Private broadcasters have indicated their willingness to live with these difficulties and to do their utmost to assist in achievement of the public policy objectives, especially in connection with the Canadian content requirement in television, in spite of the major difficulties thus created.

In our comment on the various forms of wired or cabled systems we were trying to point out that large and increasing numbers of these may tend to jeopardize proper attainment of the public policy objectives set forward for broadcasting or at least seriously dilute chances for success of these.

At the time our written brief was prepared, the joint committee on wired systems was not in being and we were not aware that it would be created. That committee which consists of the Board of Broadcast Governors, the Department of Transport, the C.B.C. and the C.A.B. has now given very careful study to the matter and has forwarded a report to the appropriate minister.

That report has at this time served the basic purpose we had in mind which was that of drawing attention to the possibility of placing attainment of the public policy objectives set forward for broadcasting in jeopardy, especially in relation to Canadian content requirements, Canadian ownership and related matters.

We suggest now only that parliament, through this committee, give careful study to that report and bear in mind the need to maintain maximum flexibility in relation to legislation and regulations designed to assist in attainment of the public policy objectives set for broadcasting in the light of the development of other forms of what is essentially broadcasting service, increasingly available to the Canadian people.

The CHAIRMAN: Are there any questions?

Mr. BALDWIN: I assume you intend that statement to be an addendum or supplement to what is in your brief in regard to this?

Mr. BROWN: Yes.

Mr. BALDWIN: I was interested in the mechanics. Have you any suggestion as to wording to replace the existing wording under 2(b) which would give effect to what you think should be the definition of broadcasting.

Mr. MACDONNELL: Could I raise this small point. It may be so small as not to have any importance. I noticed the wording used. I noticed the phrase "a service alternative to the United States signals." I wonder if it is necessary to represent ourselves in that way as nothing but an alternative. I do not want to press that point. Perhaps no one else is interested in it and if so I will drop it.

Mr. JAMES ALLARD (*Executive Vice-President, Canadian Association of Broadcasters*): There was no element in the suggestion to the effect that it was "nothing but" an alternative service. On the contrary, it was the positive

suggestion that the Canadian broadcasting system is in fact in being for the service of Canadians, and it was intended to be an entirely positive suggestion in that respect.

Mr. MACDONNELL: That is what I thought and it seems to me that phrase is perhaps a little unfortunate.

Mr. ALLARD: Certainly there was no intention of having it preceded either physically or by implication with the phrase; "nothing but"—quite the contrary.

Mr. BALDWIN: I was just wondering if you have anything in mind?

Mr. ALLARD: We do not at this time have in mind any wording or alternative to what now appears in 2 (b) or which might replace it. As members of the committee might know, there is a constitutional problem involved. Most of these wired systems being in one way or another under provincial jurisdiction or at least not in the federal jurisdiction we have at this time been unable to get together in our mind any wording which would solve this constitutional problem or would not capture more territory than we in fact intend.

Mr. BALDWIN: Thank you.

Miss AITKEN: If you press the Canadian content in these closed circuits they would be pretty much out of business because they are mostly films, are they not?

Mr. BROWN: There are various types of wired systems. There are some which import United States programs by taking them right off the air from United States stations. There are others which originate film programs of their own. We would like to make it clear that at no point did we suggest there be a regulation which would require these systems to carry any minimum amount of Canadian content. Originally, we only suggested they should be considered as being under the federal jurisdiction of the B.B.G.

Mr. PICKERSGILL: Would it not be considered that there was an intrinsic difference between the closed circuit which simply showed films, which I would think would be hard to bring within the jurisdiction of parliament at all, and the closed circuit that imported some broadcasts which, it would certainly seem to me, would be clearly within the jurisdiction of parliament. If they simply tape American broadcasts I do not think there is the slightest doubt, even if they diffuse them in a different way, that they would be within the ambit of parliament.

Mr. ALLARD: We tried to make it clear, because of the number, variety and complex nature of these wired cable operations that there were two problems involved. In some cases, and in some only, the problem is that of jurisdiction. In other cases the federal jurisdiction is clear. In those cases our problem in relation to section 2(b) of the act was to devise wording which would do no more than that which we intended.

Mr. FISHER: You gave us your views on the two different varieties of wired service. One is the telemeter or regular billing kind of service based upon movies, sporting events, and so on, which is going to be a very much larger scale entrepreneurial enterprise, than the community kind of station which will be comprised of a number of people in a remote community getting together to raise money, primarily on a cooperative basis to catch a distant signal, say a C contour, and rebroadcast it around the community. What is the difference in your approach to this?

Mr. BROWN: I do not think there is any difference in our fundamental approach to them. Again, we would like to emphasize that we are not anxious to see these systems regulated simply for the sake of regulation. We tried to make this clear in our statement which we read this morning. In the light of the report made by this special committee, at the present time we are content



that the situation is under control and that so long as a watching brief is kept on the development of these systems, be it either of the types you mentioned, this would satisfy us for the time being.

Mr. FISHER: We are very concerned about this regulatory business. There are at least 40 or 50 of these systems in my own constituency. As an example, one cooperative got together and spent a lot of money—up to \$30,000—getting the system in, and then the station, whose signal they were counting on getting, upped their power and increased their tower, and made the whole community set-up almost obsolete overnight. This was fine for the community, but here were people who went to a great deal of expense and risk. It seems to me the situation is shifting and changing all the time in the extension of contours, and to suggest that we should add regulations in this particular field is going to trap us in more bureaucracy.

Mr. ALLARD: On the contrary, Mr. Chairman, we were very careful in our opening statement to make the point that we do not put forward that suggestion. What we are putting forward is, in part, what you have now said, that there be a wide area of flexibility, bearing in mind two things: that the electronic industry is one in which the pace of change and development is extremely rapid, and this development can be handicapped, even crippled, by legislation or regulation that is too inflexible or too limiting.

The second point, which is perhaps more important, is this: that parliament has decided that broadcasting will fulfil public policy objectives, whether these objectives are economic or not, and that private broadcasting stations will fulfil them at their own expense. We make no complaint of this. In fact, we have indicated our willingness to do our best to achieve those objectives. We are merely drawing the attention of parliament to the fact that there are now other means of attaining the same end result as broadcasting stations and that these means are not now bound by the public policy objectives stated by parliament for free broadcasting.

Mr. FISHER: What you are in effect saying is that there is a real problem. You are hinting, surely, that you are under some threat. I am very much aware—as I imagine every other member is as well—that there is a competition threat to you, but you are not prepared to tell us just how we are to go about controlling, regulating or bringing these kinds of wire systems under the kind of public service aspect that you are constrained to, because of the fact you have a public channel.

Mr. ALLARD: It is not so much that this represents a competitive threat to us. The basic nature of the matter is that it represents a competitive threat to the public policy objectives set forward by parliament for broadcasting, and it is this element that we are suggesting that parliament keep in mind.

Mr. PICKERSGILL: I wonder if I could make a suggestion at this time in connection with this report. The witnesses before us have referred to this report, which appears now to have been made to the Minister of National Revenue. It seems to me that in not having that report before us, and the opportunity of looking at it, we are handicapping both ourselves and the witnesses as well by seeking to carry on a sort of blind examination. As we are going to have the Canadian Association of Broadcasters before us again, at which time I expect we would have that report, I wonder if, having dealt with the question of whether or not they have any positive suggestions to amend section 2 (b) of the act, we would not be wiser to defer further consideration of this matter until we have the material before us.

I am not raising a point of order, Mr. Chairman, but offering this as a suggestion.

The CHAIRMAN: Is that solution agreeable to the committee?

Agreed to.



Mr. CHOWN: Have we any assurance that we will have that report before us soon?

Mr. PICKERSGILL: Mr. Chairman, I will bring it to the attention of the Minister of National Revenue this afternoon.

The CHAIRMAN: Are there any other questions under section 2?

Mr. PICKERSGILL: I will give his parliamentary secretary notice.

The CHAIRMAN: If there are no further questions under section 2, we will proceed to section 3.

Mr. PICKERSGILL: Mr. Chairman, I wonder if the witnesses have any views about the composition—and I do not mean the present membership, but the composition of the board.

Mr. BROWN: To answer your question, I think not. I think the board, as it is constituted, is quite acceptable to our people.

The CHAIRMAN: Are there any other questions on section 3?

Section 3 agreed to.

On section 4—Head office and meetings.

Mr. FORTIN: Mr. Chairman, I see from section 4 (3) nine members constitute a quorum of the board. I presume that the largest responsibility rests on the full-time members, and I was wondering if subsection 3 should be amended to indicate that of the nine members which constitute a quorum there should be one, or possibly two, of the full-time members present.

The CHAIRMAN: Well, Mr. Fortin, I do not think that the C.A.B. are capable of answering that question, although they might have some views on it.

Mr. FORTIN: They may have some views, as they have views on all subjects.

Mr. BROWN: If I am not mistaken, is this not a suggestion of the B.B.G. that the quorum be reduced from nine to eight?

Mr. FORTIN: That is correct, but it did not mention including the full time members, and that is the question I was asking.

Mr. PICKERSGILL: When the chairman of the B.B.G. was before us he said that his recollection was that all the full-time members had been present at every meeting. At one time I think there was a vacancy in the full-time membership for a short time. I would think that one would naturally expect the full-time members to be in attendance, and I would hardly feel it was necessary to go beyond that. They are full-time members, and if any of them stopped attending I am sure that the matter would be brought to the attention of the government fairly quickly.

The CHAIRMAN: We will be able to review that matter in more detail when the B.B.G. come before us again. I think they would be more capable of answering these direct questions, insofar as their administration is concerned.

Are there any further questions under section 4?

Section 4 agreed to.

On section 5—Chairman and Vice-Chairman.

The CHAIRMAN: Are there any questions under section 5?

Section 5 agreed to.

On section 6—Remuneration.

Mr. SMITH (*Calgary South*): Mr. Chairman, I might ask Mr. Brown here a similar question that we asked the board of broadcast governors. Have the C.A.B. and its membership felt that the staff has been adequate, in so far as its relationships and enforcement of the act is concerned. I can assume that your answer is that it is more than adequate, but I would like your serious view in this connection.

Mr. BROWN: I do not know whether or not I have interpreted Mr. Smith's question entirely correctly.

Mr. SMITH (*Calgary South*): Well, I will reword it for you. The board have a staff to enforce this act, and have responsibilities toward private broadcasters. In the view of the C.A.B. has this been adequate to carry out their functions?

Mr. ALLARD: I might put it this way; the present staff of the board of broadcast governors is so competent and efficient, that it makes up in its quality any deficiency that might otherwise exist in quantity.

Mr. SMITH (*Calgary South*): Let me put it this way: I would like to place this supplementary question to Mr. Allard. That sounds as though I had given you advance notice of the question. I have not. Is it not true that there has been in the past some question as to whether or not the members of the board and their staff—that there have been certain delays in attending to certain problems related to private broadcasters, and would this not indicate that perhaps the staff has not been adequate?

Mr. ALLARD: There are times when an applicant for a new or improved facility could quite understandably be impatient. In so far as the relations of the Canadian Association of Broadcasters with the Board of Broadcast Governors are concerned, we have discovered no undue delays.

Mr. PICKERSGILL: I have a supplementary question. Does the Canadian Association of Broadcasters think that the efficiency of the Board of Broadcast Governors could be increased by increasing their staff?

Mr. ALLARD: I suppose it is very difficult to determine to what degree efficiency could be increased. We believe that the present organization of the Board of Broadcast Governors' staff is certainly protecting the public interest.

Mr. PRATT: I would like to ask Mr. Brown if he thinks the efficiency of the Board might be increased if more of the members had a wider technical background in broadcasting?

Mr. BROWN: Part-time members, Mr. Pratt?

Mr. PRATT: And full-time.

Mr. BROWN: By the use of the word "technical", you mean in the broad sense of the word "technical"?

Mr. PRATT: Such as that in the possession of members of the Canadian Association of Broadcasters.

Mr. BROWN: Well, that is pretty broad, then. I suppose in many respects we would think that it would be advantageous if the members of the Board had broadcasting experience. On the other hand, if the individual members of the Board have not had experience, but are objective in their thinking, this could be sometimes as beneficial as having people who have had experience in the art.

Mr. PRATT: Would Mr. Allard care to comment on that question?

Mr. ALLARD: I suppose due regard should be had for section 3, sub-section (9) of the Act.

The CHAIRMAN: Are there any other questions under this section? We will go on to section 8. No questions?

Section 9. No questions?

Section 10.

Mr. SMITH (*Calgary South*): I might ask on section 10, I am certain this should not pass without a representative of the Canadian Association of Broadcasters indicating the impact of this section 10 on broadcasting with respect to Canadian content. A simple question, Mr. Brown: In your view are the



private broadcasters going to be able to meet the requirements laid down in section 10 in so far as Canadian content is concerned, as of April 1, 1961?

Mr. BROWN: I wonder, Mr. Chairman, if I might answer Mr. Smith's question in a little more general way and then come to it more directly in reference to Canadian content?

The CHAIRMAN: Yes.

Mr. BROWN: First of all, we would like to say that we are in sympathy with the objectives sought by section 10. However, we do wonder if the wording of it is so broad that it places an undue burden upon any administrative body charged with the responsibility of interpreting and putting into practice that wording. For example, what precisely is "varied and comprehensive"? Is the varied and comprehensive service sought from each individual station or as the result of the sum total of the service provided by all the stations available to the listener in one area? What is "Canadian in character"? Should Canadian content be measured in terms of percentages or in some other fashion? How does a quantitative measurement affect quality? To what extent does a fixed percentage of broadcasting service tend to equate the word "Canadian" in the public mind with "mediocre"? Should this happen, would it tend to make more difficult the attainment of the basic policy objectives sought by turning Canadians from the service provided by Canadian outlets to foreign production? I will grant you I am answering your question with more questions, Mr. Smith, but these are frankly the thoughts that go through our minds. We do wonder about the broad meaning.

Mr. SMITH (*Calgary South*): You would not care to answer any of your own questions, though, Mr. Brown? You pose some questions as to the regulations requiring Canadian content, and discuss this question of Canadian content. Has the Canadian Association of Broadcasters made any recommendations itself on possible changes of the regulation?

Mr. PICKERSGILL: Of the regulation or this clause?

Mr. SMITH (*Calgary South*): Of the clause.

Mr. LAMBERT: They made a recommendation in their brief suggesting that the words "Canadian production" be substituted for "Canadian talent", and I think that is the beginning and end of their suggestion.

Mr. SMITH (*Calgary South*): Have you any others to suggest, Mr. Brown?

Mr. BROWN: We are not suggesting changes of the regulation in our brief. We do not feel this is the place to do it.

Mr. PICKERSGILL: Or in the sections of the act.

Mr. BROWN: Are we suggesting changes in the wording of the act?

Mr. PICKERSGILL: Yes.

Mr. BROWN: Here, again, we took several tries at it and were unable to come up with anything that would necessarily be an improvement.

Mr. FISHER: Somewhat reminiscent of what the government members say about opposition members, Mr. Brown, that they are always niggling and never positive. It seems to me you are niggling about this particular section in your questions, and yet not giving us anything constructive that we can put our teeth into about the basic Canadian character, et cetera. Can you, through this feature of a quantitative basis, suggest some amelioration or better definition?

Mr. BROWN: If I may, Mr. Fisher, I would like to have Mr. Jamieson answer your question.

Mr. DON JAMIESON (*Member of the Executive Committee*): Mr. Fisher, I think the answer to this might probably arise from the very position we are



in now with regard to the broad interpretation that can be placed on it. I suspect if you went through the 160-odd stations you would find as many interpretations or suggestions as to what constitutes Canadian quantity and quality as there are broadcasters, and I think it is as we were attempting to make in this submission to you, when we said that the broad powers given to the regulatory body in this regard are perhaps too much of a burden to the public or any group. How do you define these things, and if you ask for a separate definition of this, and another of what you regard as being Canadian in character?

This wording is invariably going to produce this type of difficult decision.

Mr. FISHER: Do you feel that in this hesitancy or this hazy situation one of the main reasons is the inability to know what is American or North American, or what is Canadian?

Mr. JAMIESON: I would think it is in part true, yes, sir. It is difficult to know, for example, whether a program is Canadian in content if it is a Canadian production, but one that perhaps features, for example, American music, a musical program. It may be produced in a Canadian studio and unquestionably it is a Canadian production; but is that a Canadian program, or what part of that program is Canadian? This is one example, and there are any number of others.

Mr. FISHER: I cannot see how you can legitimately take issue with something that stresses Canadian content and character, if you, yourselves, are not prepared to spell out a Canadian identity.

Mr. JAMIESON: If I may, we certainly are not taking issue. We are in complete sympathy. I am sure I am speaking for Mr. Brown and all the others when I say we do not, probably, quite understand them, and I think everyone in this room would say the same thing. It is purely a simple question of the interpretation.

Mr. FISHER: I would suggest it is a Canadian matter rather than a broadcasting question.

Mr. JAMIESON: I think that sums it up well.

Mr. MACDONNELL: I take it this speaker means there, when he mentions the word "quality" and "quantity", that he feels there should be more stress put in this paragraph on the quality rather than the quantity of Canadian talent?

Mr. JAMIESON: Not necessarily, sir, if you were directing that question to me. This has to be done in stages, and obviously the sensible way to start is to bring in quantity, which is the easier one to define. I do think we have solved only half the problem until we have studied the thing as a whole in all its aspects, and made a detailed study of what is considered to be included in the content and character—all three of these elements, if we are going to achieve and develop a national purpose which is basic to the Act.

Mr. MCINTOSH: Can you add a little more, and say in your opinion what is Canadian content?

Mr. JAMIESON: This comes back to Mr. Fisher's question. There are, of course, people who would say that some programs which are generally regarded as of a high standard are not at all so. It is up to the viewer himself to determine whether he considers it to be of a high standard.

Mr. SMITH (*Simcoe North*): Do you not think all the problems raised by the interpretation of section 10 are really problems that can only be worked out on a trial and error basis by the evolution of time, that they are problems that cannot be approached without an absolute preconceived, positive direction.

Mr. BROWN: Yes, I would agree with that.

Mr. ALLARD: If I may say this, this is a subjective field, and one consequently in which it is very difficult to lay down precise standards. Our comment on this section was intended, generally, to be informative, and little more than informative, and to suggest the need for a flexible process of trial and error.

Mr. MACDONNELL: I took down the words that Mr. Brown used in reading part of his brief, and I want to ask, is this an indication of a fear or a description of a state of affairs? What he said was: "To equate Canadian in the public mind with mediocre." Now, is that a fear or an existing state of affairs?

Mr. BROWN: To answer Mr. Macdonnell's question; first of all I put that in the form of a question, but to make it a little more positive, I think we would agree that there is sometimes a tendency on the part of Canadians, which is unfortunate, to equate what is Canadian with its being possibly mediocre.

Mr. MACDONNELL: And yet one hears reports from the United States quite to the contrary, that they like to listen in on our broadcasting.

Mr. ALLARD: It is probably a question of distant pastures looking greener.

Mr. BROWN: I think what we were trying to ask was, do you create a state of mind among Canadians by the very idea of a fixed percentage of broadcasting being Canadian? Does it create in their minds the idea that it is being forced upon them? I think this is our concern.

Mr. BALDWIN: Mr. Chairman, would I be correct—possibly this may bring up this point and go over the ground which Mr. Smith dealt with—but is this not your view, that this is a new departure, this is a new section, very broad in its terms, and very flexible in wording, and that you are in fact waiting to see what interpretations are from time to time placed upon it by the Board of Broadcast Governors before you are free to give your own particular viewpoint?

Mr. BROWN: That is correct, sir. What we would like to emphasize is that we say we are in complete sympathy with the objective stated by section 10 of the Act. Our only concern was, was the wording too broad for an administrative body to carry out the interpretation of the wording? I think Mr. Jamieson wanted to speak on that.

Mr. JAMIESON: In reference to Mr. Macdonnell's question, I think the reference to the mediocrity, or the possible comparison, stems from the possibility that now exists in the legislation to create the quantity of Canadian programming, and if the talent people and the creative people are perhaps not developed sufficiently to create programming that is of a high quality, that in the attainment of the one objective of quantity, quality might possibly be diluted. This is not a state of affairs, that is in existence. It is in relatively small areas, perhaps, where a distinct problem arises, in those areas where there is not a great deal of talent on which to draw. It might be just a question of getting a great many Canadian faces before the television cameras or on the radio stations, but perhaps there is not a great deal of talent in those areas.

Mr. MCINTOSH: Have any of your stations mentioned that that might happen?

Mr. JAMIESON: Not yet. It is too soon to know. Again, it comes back to the flexible development period through which we have to go. I believe it is true to say in some of the smaller areas of the country, and particularly in relation to network programs that are available on smaller stations, there might be trouble in having quality along with quantity.

Mr. PRATT: Does the witness agree that if a sufficient quantity of Canadian talent is available, Canadian quality must inevitably fall, presuming that Canadian art has any national identity?



Mr. ALLARD: Well, Mr. Chairman, in answering that, I think this brings us back to the basic issue, really, that we are discussing here. Many playwrights are considered extremely successful if they turn out ten, twelve, or fourteen plays in their entire lifetime. Most novelists are considered successful if they turn out eight or nine good novels in their entire lifetime. In television we are operating a number of stations at least ten, twelve, fourteen hours a day, seven days a week. There is a demanded use of non-repetitive material in the main and I think I would not care to use the word "worry", but the question that some of us have in our minds is, when you have this tremendous volume of material, and when in the entire period there is a relatively limited pool of talent in the correct sense of the word, of talented people who can write, who can produce, who can perform in a worthwhile, entertaining, and valuable way, that difficulty is involved in any percentage put forward if the material is to maintain a constantly good, or even relatively good standard.

Mr. PRATT: Mr. Chairman, my question really meant, that if a true Canadian has lived in this country, and has Canadian aspects to his character, will his performances not inevitably bring a Canadian quality to these programs?

Mr. ALLARD: Of course, but the point is, there then comes these problems; (a) There are, in any country, only a limited number of really good performers;

(b) While the performance of a lady or gentleman, with proper direction gains from experience, they run the risk of over-exposure—and complaints of that type has reached even this committee—complaints that that talent is being used too often.

Mr. PRATT: Would that suggest, Mr. Chairman, that we must, rather, regulate them to uses in broadcasting in keeping with the amount of talent in the country, rather than stretch it too far?

Mr. ALLARD: That, I think, would be a decision that parliament would have to make, bearing in mind, and having due regard for the wishes of the Canadian public in this regard, and the availability to the Canadian public of signals from foreign countries at virtually all hours of the day or night.

Mr. PICKERSGILL: The question I wanted to raise is one directly in relation to what Mr. Pratt has raised. It seems there are two objectives that could easily come into conflict in this matter. One is the high standard of programming, and the other, the Canadian content. Perhaps it might be important to have a priority established between the two by parliament, for guidance of the Board of Broadcast Governors. Is it more important to have Canadian content, even if mediocre, than to have higher quality, if it must be good? I would be interested in the witness' answer.

Mr. RALPH SNELGROVE (*Vice-President (Radio) Canadian Association of Broadcasters*): Mr. Chairman, I wish to refer back to Mr. Macdonnell's question, the question asked as to whether most of the stations were fearful about the 55 per cent Canadian content. I think the question is premature, in view of the fact that the Board of Broadcast Governors has not yet completed its definition of "character". To give you an example, a television station putting on a program which consists of a section of sports, and maybe a news broadcast, and a film insert, is that Canadian, is it half-Canadian—like the Commonwealth films? There are many definitions that have to be finally analyzed and interpreted by the Board, and I understand the Board of Broadcast Governors has recently been working on this matter of "character". Basically, certain programs such as live programs, or sporting events are fairly well defined, but when we get down between the difference of 45 per cent and 55 per cent, that



is when these grey-scale programming periods will need a very careful and very clear evaluation. That is where the "character" will create the difference, I would suggest, between a station not being able to maintain its content at 55 per cent, or being able to maintain it reasonably happily. But until this grey area has been defined by the board, under the heading of "character", I do not think personally most of us are in a position to say whether we can live with it, or not.

Mr. SMITH (*Calgary South*): Do I understand the witness to indicate the private broadcaster would not be much troubled about the 45 per cent target, but would have considerably more difficulty with the 55 per cent? You are talking about the grey period. What is that? Is that after 45 per cent?

Mr. SNELGROVE: Actually, the grey scale of programming is a better term. I would say most of us are meeting the 45 per cent, generally speaking, and as we interpret the character definition as laid down up to the moment. When we start balancing our programs out, we find we can get possibly 52 per cent, but these programs of a mixed nature will determine whether or not we can exist.

Mr. SMITH (*Calgary South*): Wouldn't you say that even without the Board having clearly defined, or interpreted the character, that within the regulations they are so broad in their scope that, in fact, they do bend over backwards to include almost everything that could be described as of a Canadian character, that those qualify as part of the Canadian content, and that the rules and regulations are so flexible that you need not have too much difficulty reading these two sections.

Mr. SNELGROVE: It would be, if the Board's interpretation was in a most liberal sense; but it would be wrong for us to presume what the logical interpretation would be in the future.

Mr. BROWN: To answer Mr. Pickersgill's question, I do not think anyone argues the merits of the maximum amount of Canadian content. I think it is elementary and fundamental that, unless people will listen to and watch these Canadian programs, then the whole purpose is defeated, and I think this is what is concerning us. How do we develop Canadian programs which are good and which will be listened to by the Canadian people, who have many other sources of programming available to them? That is the great problem that faces us.

Mr. PICKERSGILL: That is not precisely my question. My question was whether the Canadian Association of Broadcasters would think that these sections of the act should be re-written to establish a priority as between Canadian content, and a high-standard program, and whether the Board should be directed, in doubtful cases, in making a decision in favour of the higher standard, rather than Canadian content, or in favour of Canadian content rather than high standard, or whether it should be left, as it is, to the discretion of the board. It is a very precise question.

Mr. BROWN: I can only give you a personal opinion on that, Mr. Pickersgill. I think any more spelling out of section 10 might possibly even confuse the issues. Some of my colleagues may wish to comment on that.

Mr. JAMIESON: Mr. Pickersgill, it seems to me this goes right back to the past. Ever since 1934 and in succeeding years, almost without let-up, references have been made in a variety of documents and records to the "mandate" which broadcasting has from parliament, whether it was the Corporation's "mandate" or the objective for the entire broadcasting industry. This has been the object from the inter-related type of planning, and it has been anticipated that it should be done in some respect when it was convenient to be done. I do feel however that the time has come for Parliament, or perhaps this committee,

to reassess and take a look at what they want out of broadcasting in Canada. This is the way I interpret your question, namely to determine whether the emphasis is to be given to content or character, or in what proportion. But I think the continuance of piecemeal amendments, in one way or another, and short planning of what is now in some respects an outmoded approach is not desirable. Those sections, in parts, have been there since the 1930's, and perhaps the time has come for a re-evaluation of the objectives parliament wishes to carry through.

The CHAIRMAN: This is a very broad subject, and there are two or three people who want to ask questions.

Mr. CHOWN: I would think it has generally been answered, but I am still curious in my own mind as to whether or not the witnesses are satisfied that they can clearly define what is Canadian content, as opposed to what is not, and I would follow that with a second question, and ask if they have already examined or read the examination of the Board of Broadcast Governors in which this subject was discussed in some detail, and which appeared to mean that there was no doubt in the minds of the Governors, or at least not an overriding doubt in the minds of the Governors as to what that definition truly is.

The CHAIRMAN: What was your question?

Mr. CHOWN: My question is this: Is there any doubt about a definition of Canadian content, as opposed to any other type of material, and, secondly, have the witnesses read the minutes which contained the examination of the Board of Broadcast Governors on the subject of Canadian content generally?

Mr. BROWN: Mr. Jamieson would like to speak to that, Mr. Chairman.

Mr. JAMIESON: I do not really think anyone can give you a clear-cut answer, sir, because it goes back to the Board of Broadcast Governors; they are the ones who will define what constitutes Canadian content. I might give you a few illustrations of the type of problem with which we are faced, and which we know they are presently coping with.

For example, a program of an educational nature, that is one area. Suppose a particularly good film program has been developed, say, in Britain, or in the United States; there is a great deal of this type of material. It certainly is not Canadian in content, in that sense, and yet on the basis that education is universal, it could serve the purpose of Canadian development far better than a production done here, where it might not be done as well.

There is still another example, the matter of religious programs. Most of our stations carry a sizeable amount of religious programming. In this country, for obvious reasons, the production facilities are not yet geared for some of these programs quite as well, and yet one would assume that the basic objective of a denomination would be virtually the same, regardless of the origin of the program. Should this program then be regarded as Canadian, or is it the physical characteristics of the film that the interpretation is placed upon?

In each case it would be, say, an American, or perhaps a British program. In defining "content", there are many areas. It is a reasonably simple thing, but there are these grey areas to which Mr. Snelgrove has referred. At the present time the board is working on this, and is doing a very good job in spelling this out.

Mr. MCQUILLAN: Mr. Chairman, inasmuch as this Canadian content regulation has not been enforced to date, I wonder if the witnesses think there would be any use, to use the Chairman's words of a few moments ago, in a greater degree of mediocrity, in view of these regulations, than it has been subjected to so far in the programs?



Mr. BROWN: I think one of my colleagues already said that most of the existing television stations were pretty well attaining that 45 per cent, or better. Therefore, I should think there would be no noticeable change after April 1. I do not think there will be that much change in the quantity or the type of television programming available. Am I answering your question correctly?

Mr. McQUILLAN: Well, for how long have they been programming on the Canadian content basis, as laid down in the act here? You say they have pretty much achieved 45 per cent Canadian content.

Mr. BROWN: I said in most stations today, their Canadian content is running between 45 and 50 per cent. It varies. I cannot speak for all the stations in the country, but it is close to that; so that I should think when the regulation becomes effective April 1, there will not be any noticeable change in the programming, as far as Canadian television is concerned.

Mr. JAMIESON: I think members of the committee might be interested—this is from my own station, in the week of January the 30th, on CJON, St. John's, Newfoundland—it is an interesting generalization here, and I think this is the point that your question is directed to. We are a CBC affiliate and in that week, we had 35.99 per cent, or 36 per cent content of religious programs, educational programs, et cetera, and the balance of the area of 39.60 per cent, or around 40 per cent in light entertainment. There are a variety of other headings here as well; but the point I am making is that these are network programs, and also originations from the station itself.

Mr. PRATT: Does a religious speaker come under the heading of talent?

Mr. JAMIESON: He should. In my opinion, one of the major areas for us to consider, with regard to Canadian content, is the definition of what does constitute talent. Also for everyone in front of a camera you have ten or fifteen people behind the camera; but we have taken talent as meaning somebody in front of the camera.

Mr. PRATT: Surely art is just as international as religion. We seem to be putting an emphasis on Canadian art; but a pretty girl is a pretty girl in any country, and a good singer is a good singer. It is, rather, finding jobs for Canadians in their own sphere.

Mr. JAMIESON: I am not at all sure that it is just a matter of finding jobs. It is, of course, quite important.

Mr. PRATT: To the talent, it is important.

Mr. JAMIESON: But I am not in an area of the country that has any large population. We are in the relatively small kind of community in which most of the stations are located. My thought about my responsibility is that having to do with the development of talent, most people wish to go on to a professional career, but there are occasions when I think we may be doing a disservice to these people who think they may have talent. As I see television programming, it should reflect the life of the whole community. This need not mean putting talent on with the idea that they are going to be professionals. We had over 400 people in front of the cameras in the month of December. Not one of those will ever be a professional, in your sense of the word. But we gained a great deal of satisfaction, and so did they. They did not come into the station with the idea of being another Giselle MacKenzie or Robert Goulet. I am speaking of the responsibility of purely local stations.

The CHAIRMAN: I think I will have to try to get the committee back on the rails. I said before, this is a very broad question, and almost every question that has been asked is supplementary.

Mr. McQUILLAN: Mr. Chairman, the witness only answered part of my question. He spoke from the point of view of television. My question also



referred to radio programming. I think perhaps television programming is of a much higher standard than radio programming. Would he have some comments to make on that?

MR. BROWN: I would like to comment first, Mr. Chairman. First of all, we must recognize that radio has been going through a change for several years, as a result of television's impact. There are various types of radio programming today. You cannot just define it as being good or being bad, or modern, or traditional. You have varying degrees of quality in radio now; but radio has changed. It is providing a different type of service than it provided ten years ago. It is not giving you specific programming as it used to do. It is giving you almost continuous programming with a variety of services being provided. You could go on for hours and define what is radio broadcasting today. Do you want to speak, Mr. Jamieson, and Mr. Snelgrove?

MR. JAMIESON: As you say, you could go on for hours, and I suspect that is probably not the wish of the committee.

MR. FISHER: I want to thank Mr. Jamieson for that statement. I think I can then use it with some radio and television stations in my own area. They have not quite that concept of service to the community. I would like to ask Mr. Allard, probably, what views the Canadian Association of Broadcasters has on a matter that came up before the Board of Broadcast Governors the other day, and that is this question of the British programs having the advantage, as against the American productions, because they are British. I would like to know more about how that works out practically, in terms of prices, et cetera—the picking up of British productions.

MR. BROWN: Are you asking the question in relation to the fact that British productions are considered 50 per cent content for Canadian purposes?

MR. FISHER: Yes, but I do not see that Margot Fonteyn is any more impressive than Melissa Hayden, and I do not think Nervo and Knox have anything over Jackie Gleason and Jack Benny. I want to speak about the problem of getting British productions. Do your audiences want them?

MR. BROWN: I will attempt to answer it. First of all, I think for most of the privately owned stations now, the only British programming they are using is full-length films, and I think as we all know, there are many good British films, and some not so good. What is good is well-accepted by the public. Does that answer your question?

MR. ALLARD: I wonder, Mr. Chairman, if before I get to something specific on Mr. Fisher's question, I could make this general comment: I would necessarily comment that in connection with the 50 per cent allowance on British and Commonwealth films, I am aware of the difficulties inherent in this, due to the fact that Canadian production is accepted in Britain as 100 per cent United Kingdom in content. This is a factor that the Board of Broadcast Governors must keep in mind. At the same time there is a tendency at times to forget that Canada, for better or for worse, is located in North America, and is a North American country. I have observed that things happen in Canada simply because of our climate, our geography, because we are a North American country, that are coincidental with the same things happening in the United States and for the same reasons. There is a tendency to assume that it is because of the United States influence regardless of the fact that it happens in both countries coincidentally, simply because of our geography. This I think is one of the main factors that has to be kept in mind in assessing subjective factors, like television and radio, in the assessment of their service to the community of which they are a part.

MR. FISHER: If you are only getting British films, and not picking up their half-hour shows or commentaries, what is the problem; is the price not attractive? Will your consumers not take them?

Mr. BROWN: I did not realize there was a problem, Mr. Fisher.

Mr. FISHER: British shows of any kind have this 50 per cent advantage over American shows. I do not see any British shows on my own local stations, except films; and yet I am sure the Canadian Association of Broadcasters, and the Board of Broadcast Governors can purchase such shows. What is the holdup? Why are the private broadcasters not taking advantage of these British content features?

Mr. JAMIESON: I think I can explain this to you, sir. You make reference to commentaries and types of programs of this calibre, for instance, panel shows. Most of those, as I understand it, in any event, are not produced in Britain for what might be described in the true sense, a syndication. There is a distinct separation between the producing by British companies of television in the program production field with a view to perhaps even universal distribution, or North American distribution, and those programs which are on a one-occasion basis. There may be a variety of talent problems involved, fees, copyrights, a variety of other headaches of one type and another, which would prohibit the wide distribution of that type of program. That is why I do say, in any event, that there is a quite clear separation between those programs produced specifically for syndication. The irony of this is that, in view of the fact that they are produced for syndication, and to be used in the United States, they tend to have, as a matter of fact, the character of the American shows and local points, and probably you would not recognize them as being British productions.

Mr. FISHER: In England they have a show called, for instance, *The Archers*. Is there anything comparable to that on television produced by the I.T.V., or sy Granada, that is available?

Mr. JAMIESON: I would doubt at the moment that there is anything of this nature being produced. At least it is not the type of thing that I think would be popular with television audiences here, and I would presume that it would be a type of serial drama feature. So far as I am aware, nothing of this sort has been done.

Mr. FISHER: Then, can we draw the conclusion that the British 50 per cent advantage has been attractive to broadcasters in Canada only in its use for Canadian content in the field of feature films?

Mr. JAMIESON: And some half-hour productions. There are several I can name, but I will not take the committee's time with them.

Mr. SMITH (*Simcoe North*): I hope Mr. Fisher is using the "I", rather than the "we".

Miss AITKEN: Following through on the interpretation of Canadian content, as I recall it, the Chairman intimated that anything produced in a Canadian studio, he thought would be considered Canadian content. I wonder if you would interpret a disc jockey working in a Canadian studio, playing American music, as fully Canadian content. If you did not, the disc jockeys would die, because there is not enough Canadian content to keep them busy.

Mr. BROWN: A very good question. First of all, as far as regulation is concerned, we are at the moment only concerned with Canadian content in television. It is only television where there is a regulation which applies. In radio I think the disc jockey—I dislike the word, I would rather say "air personality"—who puts together a program which consists of some American records but which also has many other services which it provides, is definitely Canadian talent; and if he is capable of putting together a two-hour, three-hour or four-hour program which attracts an audience and provides a service to the community in a number of ways, I think that is Canadian talent. This is a purely personal view.

Mr. SMITH (*Calgary South*): How did you describe him?



Mr. BROWN: Air personality.

Mr. McINTOSH: Mr. Chairman, I think Mr. Chown said that the Board of Broadcast Governors were quite firm in their interpretation of the terms "content and character". Now, I suppose the gentleman from the Canadian Association of Broadcasters have read over the evidence the Board of Broadcast Governors gave before the committee. If the interpretations were included in your paragraph 2 on interpretations and put in clause (g), as to the interpretation of Canadian talent and character, would the interpretations given by the Board of Broadcast Governors then satisfy your requirements?

Mr. BROWN: The answer is: I do not know. We have not had an opportunity to read the evidence of all your hearings with the Board of Broadcast Governors, and I do not know whether Mr. Allard has had an opportunity so I do not think we are familiar with that.

Mr. McINTOSH: I have not got it here.

Mr. ALLARD: I underline the point Mr. Brown made. I was present at the time of the hearing of the Board of Broadcast Governors testimony, and with great respect—because the Board of Broadcast Governors does command my respect—I may say that I went out knowing no more than when I came in.

Mr. McINTOSH: That may suggest that there should be another clause under paragraph 2, the interpretation of Canadian talent and character.

Mr. ALLARD: One of the difficulties, Mr. Chairman, is that we are in a very subjective field. The members of the committee have had a great deal more experience in this matter than I have. I personally would not like to undertake a specific definition of Canadian character. I have attempted to do so and found it completely beyond my powers. Even the definition of Canadian content is, in practical terms,—because of the fact that broadcasting is a living, breathing entity that is going on virtually all day every day—a very difficult thing to achieve in any realistic sense.

Mr. MITCHELL: I would like to ask a question originating from the point that Mr. Jamieson made when he read the art involved with his own station. I think you will agree, Mr. Jamieson, that you are holding what we call a captive audience, and therefore my question would be, how about some of the stations which are at some border point that are competing more with American stations and have to compete along with the percentage of Canadian content which had been asked for under the regulations? I presume that they have their advertising rates set on a listener basis and therefore the amount of money they can charge for their programming is set in that way. Would it be more difficult for the border stations to live with this regulation and make a couple of bucks than it would be for a station having a captive audience?

Mr. JAMIESON: Yes, quite correct. I do not think there is any doubt but that the competitive factor will have a decided bearing on the ability of the station to perform in the manner you describe, and of course this is one of the great problems of Canadian broadcasting—the tremendous amount of outside competition which has to be faced and which is completely, of course, beyond the control of this tribunal or any other in Canada.

And here we come up against this strange aspect, if you like, of Canadian life, where people say they want and insist upon a Canadian content; yet, where they have an opportunity to do so, they turn in rather large numbers to outside stations.

It is a very difficult job, a job much more difficult than my own, to carry through with broadcasting for the attainment of a national purpose in border areas. A great many people will look at The Nations Business, but tragically, across the country, this does not always happen when there is an alternative type of program available to them.



Mr. MITCHELL: I take it that is an impression which you get in your location?

Mr. JAMIESON: I think that the impact is peculiar and is in direct relationship to the number of bodies you have to serve. If you have a station whose market may be cut in four or five ways, then it may be possible.

Mr. SMITH (*Calgary South*): I would ask Mr. Jamieson the same question which Mr. Mitchell directed to him. I asked it of the chairman of the B.B.G., and he also stated he recognized the difficulty. It was felt it might be somewhat more severe, especially in the instance of the new television stations. The same law has not yet been made applicable to radio stations. Canada does have a competitive factor, where size is a principle, in the opportunity to look at American stations or American programming which in many instances may be preferable.

Has the C.A.B. suggested to the B.B.G. any possible change in the regulations, or any consideration of the position that the Canadian stations are put in, when competing with American stations?

Mr. BROWN: At the time the B.B.G. issued its proposed regulations concerning Canadian content, the C.A.B. did file a brief in which it recommended that consideration be given to markets or to areas where there was competition from the United States. We have made no submission since then.

Mr. CARON: Well, do you think that we have had enough experience with the programming of the new stations to be able to make any changes at the present time?

Mr. BROWN: When you say "new stations", you mean the recently licensed second stations?

Mr. CARON: I mean the private broadcasting stations.

Mr. BROWN: Then what was your question, again, please.

Mr. CARON: Do you think, with the experience we have obtained up to now, that the new regulations are extensive enough to permit changes in the present Broadcasting Act?

Mr. BROWN: No, I do not think there has been sufficient time. I think all the broadcasters are quite prepared, wholeheartedly, to try and achieve the objectives intended by this 55% rule. They have indicated so publicly.

Once the 55 per cent rule became a regulation, members of the C.A.B. said they would do everything possible to make this percentage work. You are quite correct, Mr. Caron. We do need time to find out whether or not this is a practical method by which to achieve the national purpose.

The CHAIRMAN: Now, Mr. Macdonnell?

Mr. MACDONNELL: My question has already been dealt with, Mr. Chairman.

Mrs. CASSELMAN: The public will decide that, will they not? It is possible that the stations which Mr. Jamieson has, will go up to 60 or 70 per cent.

I can think of regions of Canada where I have lived and where local interest is very great, while in other parts—I live on the border now—they seem to prefer American programs some of the time. But as we go along, the public will settle for the percentage that may be imposed upon them.

Mr. BROWN: I think that is a very wise statement. In the final analysis, the public will be the real judge.

Mr. PRATT: How about us, too?

Mr. SMITH (*Simcoe North*): In respect to the 55 per cent commonwealth rule and leaving out the economics of British films, will not this 55 per cent rule have the tendency to make Canadian television broadcasting somewhat more cosmopolitan?

Mr. JAMIESON: It is rather difficult to forecast. I would be inclined to say no, for the reasons I have mentioned. But undoubtedly there will be some British character if you like, to some of these productions.

But the tendency is almost inevitably going to be to produce programs which will be equally acceptable to the United States, to Canada, and to Britain. There is a cosmopolitan aspect of it, to some extent, but I would think to a very limited degree. Perhaps it would be considerably more so on the French network than on the English.

Mrs. CASSELMAN: Does that go for the commonwealth—for example, Australian programs?

Mr. JAMIESON: To a degree; but as far as I am aware there is not as yet, in any event, any great body of productive facilities in Australia producing for universal sale. So I would suspect that anything they are producing now would probably be very definitely related to their own area, just as, conceivably, quite a bit of our Canadian production is definitely related to our own area.

Mr. BALDWIN: Following up that line of questioning initiated by Miss Aitken, I wonder if the witness could tell us, relative to their own briefs, whether using record turnings class I would be a Canadian production within the terms or suggestion, no matter what type of records you were playing?

Mr. BROWN: I had hoped that I had given an answer. But it is my feeling that if an "air personality" or disc jockey puts together a program—a two or three hour program—in which American records are used, and forming part of this program, and if he also supplies many other services during this whole hour or two or three hours, then, in fact, I think it is Canadian content.

Mr. PICKERSGILL: I would like to ask Mr. Brown if he can see any particular significance to be attached to the fact that the two principal witnesses on the subject of Canadian content here this morning have been Newfoundlanders?

The CHAIRMAN: Now, Mr. Macdonnell—and then I think we must close the meeting for today.

Mr. MACDONNELL: I would like to raise the question that the public will decide the percentage, and to note Mrs. Casselman's comment that she lives on the border where they may hear American productions. When we say that the public will decide, I take it that does not mean we are going to be governed entirely by the listener interest.

One can imagine the situation where you might have 45 per cent Canadian content in certain areas, but where you have only 10 per cent Canadian listeners. I hope we are not committing ourselves to a situation where that is going to be the acid test.

I would go along with Mr. Pickersgill, that we ought to be prepared to give considerable weight as to just what principle we are going to use when deciding Canadian content. I think we seem to be doing very well.

Mr. ALLARD: The point is basically this. It is clearly up to parliament to legislate. It is clearly open to broadcasters to produce and present programs. It is clearly open to the listener to decide what stations and what programs he is going to see or to listen to. Neither parliament, as far as I am aware, and certainly not the broadcasters, can determine for the listener what he will see or hear. Therefore it is in this sense that the listener, in making his own decision in the privacy of his home, is the final arbiter of the matter.

The CHAIRMAN: Upon that note, I think we shall have to adjourn. It is now eleven o'clock; but before you go, I wonder, since many of these gentlemen have come quite a long way, if on Monday perhaps we could carry on a little longer, and try to get through with them, provided we do not finish with them by one o'clock. Maybe we could meet again in the afternoon. Is there any suggestion along that line?

Mr. PICKERSGILL: When is the next regular meeting of the committee?

The CHAIRMAN: It is eleven o'clock on Monday morning.

Mr. PICKERSGILL: I think it should depend on the program in the house.

Mr. SMITH (*Calgary South*): Why should we not move the time up to 9.30?

Mr. PICKERSGILL: I think it would be much preferable to leave it to the steering committee, to see if they could not fix an earlier time for meeting on Monday, rather than for us to try to meet in the afternoon.

Mr. FISHER: Mr. Chairman, did you bring up the question of an alternative C.C.F. party member sitting in for me, without requiring a vote?

The CHAIRMAN: No, I am sorry, I did not. Mr. Fisher wanted the feeling of the committee on this point: that without going before the house in a case where he has to be absent if another member of the C.C.F. could be an alternate in these hearings, without having to go through a motion in the house, or without having to have a formal vote.

Mr. SMITH (*Calgary South*): I thought the steering committee unanimously recommended it.

Mr. PICKERSGILL: I support it very strongly.

The CHAIRMAN: Then it is agreed.

The committee adjourned.



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

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MONDAY, FEBRUARY 27, 1961

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WITNESSES:

Messrs. Murray T. Brown, Ralph Snelgrove, T. Jim Allard, D. M. Neill  
and Don Jamieson, of the Canadian Association of Broadcasters.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

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Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

MONDAY, February 27, 1961.

(6)

The Special Committee on Broadcasting met at 10.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Chown, Danforth, Fairfield, Lambert, Macdonnell, MacEwan, McCleave, McIntosh, Mitchell, Pickersgill, Richard (*Ottawa East*), Robichaud, Smith (*Calgary South*), Webb—(17).

*In attendance:* From the Canadian Association of Broadcasters: Mr. Murray T. Brown, President; Mr. Ralph Snelgrove, Vice-President (*Radio*), Mr. T. Jim Allard, Executive Vice-President; Mr. D. M. Neill, Immediate Past President; Mr. Don Jamieson, Member of Executive Committee.

The Chairman reported on behalf of the Subcommittee on Agenda and Procedure that it was recommending that the Committee meet one hour earlier this day, at 10.00 o'clock a.m., and that if the examination of the witnesses appearing on behalf of the Canadian Association of Broadcasters were not completed by 1.00 o'clock the Committee meet again at 9.30 o'clock a.m. Tuesday, February 28th; the Committee would, as originally planned, proceed with hearing the officials of the Canadian Broadcasting Corporation on Thursday, March 2nd. This was unanimously agreed to.

The Committee resumed from February 23rd the section-by-section review of Part I of the Broadcasting Act, 1958, with Messrs. Brown, Allard, Neill, Snelgrove and Jamieson under questioning.

In accordance with arrangements agreed to on February 23rd, Mr. Walter Pitman, M. P., in the absence of Mr. Fisher, took part in the deliberations.

At the conclusion of the review of Part I and Part II of the Broadcasting Act, 1958, with the officials of the Canadian Association of Broadcasters, the Chairman thanked the witnesses for their valuable contribution.

In turn, Mr. Brown thanked the chairman and the members of the Committee for their kind consideration.

At 12.25 o'clock p.m., on motion of Mr. Smith (*Calgary South*) the Committee adjourned to meet again at 9.30 o'clock a.m. Thursday, March 2nd, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

MONDAY, February 27, 1961.

10.00 a.m.

The CHAIRMAN: Good morning, gentlemen. We held a meeting of the steering subcommittee last week and decided, if possible, that we would meet this morning at 10 o'clock and again tomorrow at 9.30. Many of the witnesses have come quite long distances to attend these meetings and we hope to get through the Broadcasting Act as quickly as we can. Members will remember that we got on to section 10 but had not quite completed it. I think it would be a good idea if we passed over that and completed it, as of now, and go on to section 11.

There is one other thing which I do not like to keep harping on, but sometimes members address direct questions to the witnesses, without reference to the Chair. This gets me into difficulties with other members, who have been waiting for a considerable length of time to ask questions. Of course, sometimes questions are supplementary. When we begin dealing with such a thing as "Canadian content and character", all the questions are supplementary and it is very difficult for the Chair to interfere or interrupt the trend of thought. I hope members of the committee will cooperate with the Chair in the manner indicated.

Mr. PICKERSGILL: Before we proceed, I think it was agreed at the meeting of the steering committee that we would meet tomorrow morning, if necessary.

The CHAIRMAN: I was going to say that.

Mr. PICKERSGILL: Some of us were optimistic enough to hope that the completion of this investigation would take place this morning.

The CHAIRMAN: That is true but, if we have not completed the investigation this morning, we have reserved this committee room and the reporters for tomorrow morning at 9.30; but I should hope to goodness that we will not have to go on again tomorrow morning.

On Thursday, as we originally planned, we shall call the C.B.C. for their interpretation of the act. I do not think anything else came up before the subcommittee. You all know that Mr. Pickersgill promised to ask a question of the minister, concerning the report of the Joint Committee on Wired Systems.

Mr. PICKERSGILL: I carried out my promise.

The CHAIRMAN: Mr. Pickersgill did carry out his promise and the minister has stated that, as yet, he has not had time to go through the report; but he is quite willing to lay it before the committee, unless there is some reason why this cannot be done. So far we have had no word from the minister concerning this report.

Mr. SMITH (*Calgary South*): Mr. Pickersgill has become part of the secretariat branch.

Mr. PICKERSGILL: I am exercising my rights as a member of parliament.

The CHAIRMAN: Are we agreed that section 10 has been completed?

Some hon. MEMBERS: Agreed.

Section 10 agreed to.

On section 11—Regulations.

The CHAIRMAN: Do members want to go through this section clause by clause?

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder does Mr. Brown want to make any comment prior to discussion of section 11?

The CHAIRMAN: Have you any comments to make, Mr. Brown?

Mr. MURRAY T. BROWN (*President of the Canadian Association of Broadcasters*): I have no other comments to make other than those contained in the brief which we submitted to the committee. There is one comment, however, that I should like to make this morning. It is that in answering some of your questions, I think it is obvious to you that we cannot always speak for the Canadian Association of Broadcasters. However, as individuals, we are quite prepared to give our own personal views which may, or may not, be shared by members of the association.

Mr. SMITH (*Calgary South*): I might suggest here, purely as a question of order, that I think it would be helpful if Mr. Brown and his colleagues did exactly that. It will be appreciated that, on a number of occasions in past examination, they have not been thought coherent. It is quite true that the C.A.B. may not have an opinion as an association but it would be helpful if witnesses were as eloquent as possible in expressing their views as individuals, and perhaps they would indicate the occasions when they are expressing their personal views.

Mr. PICKERSGILL: I should not like to let that pass without comment. I do not share Mr. Smith's views that the witnesses have not been coherent. I think they have been, but I also consider that there have been times when they were careful not to express very definite opinions.

Mr. SMITH (*Calgary South*): Which is very much the same thing as I have expressed. Mr. Pickersgill likes to differ on everything.

The CHAIRMAN: It is his legal training.

Mr. SMITH (*Calgary South*): It is just his nature.

The CHAIRMAN: Have you any statement to make, Mr. Brown?

Mr. BROWN: Nothing.

The CHAIRMAN: The president of the C.A.B. says he has no original statement to make on section 11. Are there any questions on subsection (a)?

Mr. PICKERSGILL: I wonder, Mr. Chairman, if Mr. Brown or some of the other witnesses would like to make a brief observation about each of these subsections as we come to them, because I imagine we would want to base our questions on any views they have.

Mr. BROWN: If it would save the time of the committee, we have only commented on subsection (e) of section 11. We are quite prepared to deal with each paragraph individually but, at the moment, this is the only paragraph on which we have any particular comment.

Mr. PICKERSGILL: Then I should like to put a question on paragraph (a). I should like to ask the witnesses—Mr. Brown or whoever wishes to speak—whether C.A.B. or any of its members are dissatisfied with the present regulations regarding the minimum broadcasting times to be reserved for network programs?

Mr. BROWN: To answer Mr. Pickersgill's question—

Mr. LAMBERT: On a point of order, and for clarification, I wish to ask is this going to be an examination of the act as it stands, or is this also an examination of the regulations that may have been made pursuant to section 11?

Mr. PICKERSGILL: I think Mr. Lambert has a real point of order.



The CHAIRMAN: Actually, when we were examining the B.B.G. we very often went over into the realm of examining the regulations as well. They were often referred to and how one can divide, or draw up a fair line between explanations of subsections under this regulatory clause, I do not know. Perhaps I could have some help from the committee.

Mr. McINTOSH: I might say that this is a question on which I am not very clear. I am not very clear about regulations as they pertain to any act, because I have a number of acts in mind where the regulations are stronger than the acts themselves and, in my opinion, contrary to many of them.

Mr. PICKERSGILL: I should like to put that in the form of a question. Do any of the witnesses think that any of the regulations made under subsection (a) are contrary to the act itself?

Mr. BROWN: I may be incorrect on this and perhaps my colleagues might wish to add a comment. Up until the present time most of the reserving of network time on affiliated stations has been done by agreement, either verbally or in writing, with the C.B.C. To my knowledge this is why the B.B.G. has not entered into this type of negotiation other than when it established its regulations for a television network in anticipation of the first private television network. At that time it did set a minimum of so many reserved hours which would constitute a network.

Mr. PICKERSGILL: That was my understanding of the situation.

Mr. "DON" JAMIESON (*Member of the Executive Committee*): It involved 10½ hours. The original question asked was: "Are you prepared to carry a minimum of 10½ hours of network programming." That is the only law or regulation in that regard.

Mr. LAMBERT: Have you experienced any difficulty in the interpretation of the regulations with regard to minimum broadcasting times for network programming in so far as regional networks are concerned? I am referring here only to non-reserved time. I think there is a difficulty which exists, is there not?

Mr. BROWN: I am not sure whether I interpret your question correctly.

Mr. LAMBERT: Under your agreements with the C.B.C. you have reserved time for network programs.

Mr. BROWN: That is right.

Mr. LAMBERT: Have you experienced any difficulty in establishing regional or really local networks in the non-reserved time without getting a lot of prior consents, and one thing and another? I have in mind particularly a hockey game or a provincial election campaign.

Mr. BROWN: I understand, Mr. Lambert, that there have been some problems in the past. Normally they do not exist too much where reserved time is not involved. I cannot give you anything specific. Perhaps one of these gentlemen can.

Mr. D. M. NEILL (*Immediate Past President, Canadian Association of Broadcasters*): Mr. Chairman, I would say the compulsory time always is something that we try to avoid as much as possible. By the same token we recognize that so long as we are to have publicly-owned networks there has to be some arrangement whereby programs are distributed, and therefore there certainly is a need for some reserved time. So far as the individual network, or regional network, usually on a temporary basis, is concerned, there have been problems where local programs, or regional programs, have had to be readjusted and rescheduled because of reserved time. I do not think this is an unreasonable situation. If you have a national network the regional

networks must be adjusted to provide the coverage. There always will be some disagreement on this subject, but I do not think it is an unreasonable or serious problem.

Mr. LAMBERT: Have you experienced any difficulty in the formalities required in order to obtain the approval of a regional network? I am speaking of non-reserved time.

Mr. NEILL: We may have in the past, but at the present time I would say the mechanics for handling network arrangements and reserved time are very good, very prompt.

Mr. SMITH (*Calgary South*): This may be a hypothetical question. Do you anticipate any particular problem in respect of subsection (a) in the event that the private broadcasters are able to set up their own network system? Will this complicate the requirements under subsection (a)?

Mr. BROWN: I should not think so. Here again it depends on how it is carried out.

The CHAIRMAN: I might say that the chairman of the B.B.G. said that so far there have been no regulations set up under this. It is very difficult to make a comment on something that is purely hypothetical.

Are there any further questions on subsection (a)?

On subsection (b) —standards of programs.

Mr. SMITH (*Calgary South*): I do not know whether or not Mr. Brown would comment on program logs. Have you encountered any problems in respect of the regulation involving the requirement for program logs?

Mr. BROWN: Do you mean with regard to the board's interpretation of the log?

Mr. SMITH (*Calgary South*): Yes. There are stipulations laid down in the regulations.

Mr. BROWN: We have been working fairly closely with the Board on this particular subject. We are working toward a log which will help interpret the character of the programs for the benefit of the Board. There will always be a problem in trying to interpret the character and standard of a program by just looking at a log on a piece of paper. I do not know whether or not this is the type of difficulty you are suggesting.

Mr. SMITH (*Calgary South*): I would assume that the program logs give the Board the details as to whether or not the standards of programming are being maintained at a level they would expect. Is this true? They would monitor something once in a while and would examine the log which would give an indication of whether or not you are meeting the new standards.

Mr. BROWN: In our opinion we feel that a log cannot interpret properly the standards of a program. It can be only a statistical record of what took place. We have made our views known to the Board and I think they are sympathetic to this problem.

Mr. SMITH (*Calgary South*): Did I understand you correctly to say that you are not altogether happy with the regulation under subsection (b) and have made certain suggested changes to the Board?

Mr. BROWN: Only in connection with the log.

Mr. JAMIESON: I think it might be fair to say that neither the C.B.C. nor the B.B.G. are particularly satisfied with this whole area; it is not just a C.A.B. area. The whole industry is worried about whether or not logs in fact can answer the question.

Mr. SMITH (*Calgary South*): I appreciate that. We will ask the same question of the C.B.C. Would you not care to be more specific about what are your objections to the log, Mr. Brown?

Mr. BROWN: I think my only possible objection is that you cannot hope to interpret the character of a program or of a station, nor can you interpret the personality or the image of a broadcasting station just by a log, which shows what took place on that station on that day.

Mr. CHOWN: Recently you received a directive from the B.B.G. changing the whole format of your logs. Is this not true? I believe it changed the general content of the log returns.

Mr. BROWN: I think it is pretty much in the proposal stage. I do not think it is a directive as yet. We think it is an improvement in the type of coding which they are suggesting.

Mr. JAMIESON: It might be interesting to look at some of the headings. Some of them still are bad. There is one headed: "news and orientation". Just what sort of program does one put under "orientation"?

The CHAIRMAN: Chinese?

Mr. JAMIESON: Yes. There may be an area, such as my own, where a report might come out on our operations saying that we have had virtually no agricultural broadcasting. Someone might interpret it as a failing, although in our particular area the word "fisheries" may be more sensible. A log is a difficult thing to use in order to look at a particular area and the needs in that particular area.

Mr. CHOWN: Have some arrangements been made for a meeting with the B.B.G. to go over this form, because Mr. Brown says as yet it is not in effect? Have you been called in, Mr. Brown—

Mr. BROWN: Yes.

Mr. CHOWN: —to some meeting in the future to go over this before it becomes operative.

Mr. ALLARD: This entire matter still is at the discussion stage. Our views, together with those of the C.B.C. and other interested parties, are in fact being heard by the B.B.G. and future meetings on this point are anticipated and indeed promised.

Mr. SMITH (*Calgary South*): Might I ask this question. I believe the criticism made of the private broadcasters and the C.B.C. has been that the standard of programming in certain areas is not high. The witness indicated that in his opinion the log is not any barometer by which to measure the standard of programs, except perhaps by the B.B.G. carrying out certain monitoring checks which would be difficult to do with their present staff. If this is not satisfactory, what does the C.A.B. suggest as an alternative for keeping a check on the standard of programming throughout Canada?

Mr. BROWN: Recognizing the mechanical problems the B.B.G. would have in monitoring each station it has been difficult to make any concrete suggestion. We have proposed to them that they try to have the full-time members of the Board and some of their technical people—technical in the terms of professional people—visit the stations, not just to monitor them but to talk to the people in the area and on the station in order to get a better impression of what that station means to the community. They are doing some of this now. We feel the only way you really can tell the contribution a station is making to its community is to live with that station. We do not think it can be done by monitoring a few hours and bringing it back.

Mr. SMITH (*Calgary South*): You stated to me that you thought the B.B.G. was adequately staffed.



Mr. BROWN: I do not recall that I said it was adequately staffed. I said we had no suggestions to make as to the composition of the board. I believe one of my colleagues thought that they make up in quality what they may lack in quantity.

Mr. ALLARD: I did say that the B.B.G. is adequately staffed, and I am not changing my position in that regard. For purposes of monitoring the B.B.G. does not require staff, since anyone with a tape recorder in any city can be hired on a per-occasion or per-day basis to perform this function.

Mr. SMITH (*Calgary South*): Does the witness agree with Mr. Brown when he stated that perhaps one way to get around this would be to have members of the board live with the station for a period of time? Is it not quite obvious that the station then would put its best foot forward? Would this give any indication of whether or not the standard is satisfactory?

Mr. ALLARD: The members of the B.B.G. and its staff will have due regard for the communications they receive from the public, which I understand are not infrequent and not lacking in emphasis.

Mr. SMITH (*Calgary South*): Would you think that perhaps the regulations should be more comprehensive in insisting on more material, more information, and so on?

Mr. ALLARD: It will tend to over regulation and these things: (a) There will be a hardening of the tendency to forget that the majority of listeners do have rights and (b) there might further be a tendency toward subjective definitions of standards, which is an extremely difficult field.

Mr. NEILL: I would like to make a comment in respect to the suggestion that the character of a broadcasting station might change for a week. I might say this, of course, is impossible. You cannot change the character of a broadcasting station for any specific week or month. You have to stand or fall on the service you are providing.

Mr. JAMIESON: I am not advocating here a regulation of the B.B.G., but I think it would be wise for a station to make periodic and reasonably detailed reports to the B.B.G. on what it is doing. Some stations are not well staffed. In some areas this would mean greater problems than in some of the larger areas. But I think it would be a good idea to give a general report on their activities from time to time.

Mr. SMITH (*Calgary South*): This is applicable of course, for the most part, to radio, which does not come, in the ordinary sense, under the regulations. How is it that one television station or one radio station, with the level of service at the present time, can be so different from another that they can literally get away with playing continuously canned music? Surely this must indicate a desire or a demand to see that these are the weaker stations within your organization?

Mr. JAMIESON: This, again, is an extremely broad question. It has always been one of the strange contradictions in broadcasting that a station which is regionally a non-competitive station, or a station which is in a small area, frequently is required to perform substantially more services for its listeners. I am speaking specifically of radio here; and I mean that it must perform substantially more services than a station that is in a metropolitan market.

It is a good question to ask, but frankly there is no clearcut answer at the moment as to whether in a city, let us say, like Toronto, or in a larger metropolitan area, whether or not there is room for a particular type of broadcasting station, or whether through a series of stations one might achieve this varied and comprehensive service.

In the smaller areas, where there is only one or perhaps two stations, the responsibility seems to rest more heavily upon those stations, although in some respects they have a greater difficulty in carrying out that responsibility.

That may be the answer why in one area a station, which I might question, under these circumstances gets away with it. I think it is a legitimate service, and a legitimate type of broadcasting; but the station would not get away with this, if it were the only outlet to which the listeners could tune.

Mr. PITMAN: Are you suggesting that possibly there should be different regulations for different kinds of stations?

Mr. JAMIESON: No, I am not suggesting this, because I recognize many of the pitfalls involved.

I merely point out that the whole question comes back to a statement which was made, I think on Thursday, about what we want from broadcasting. How do we want this varied, comprehensive service? Do we want it from each individual unit within the broadcasting services as a whole across the country, or is it to be the result of the sum total of those signals that are available?

Mr. PITMAN: That is true. But I am thinking of the smaller area where 60 per cent of the radios can receive only these one or two stations. Should there not be a desire to bring up the standards of those stations, where people are virtually restricted to those stations, whereas in a metropolitan area you may catch five or six stations?

Mr. JAMIESON: It is always desirable to raise standards; but it comes back to this consideration: that in many of these areas there is the economic problem of lack of talent. The lack of creative people is greatest in that area where the station has to do precisely what you advocate, that is, to give a general, comprehensive, and varied service from a single source. But I doubt very much if you could ever get a system of regulations which would say that in market or area A, a station shall do this, while in market or area B it shall do something else.

Mr. PICKERSGILL: What you are saying, Mr. Jamieson, is that in certain places—if I might use an analogy—the station is a general store, while in a bigger place it might be a specialty shop.

Mr. JAMIESON: Yes sir; or, to use another analogy, it is like publishing a variety of publications. Broadcasting, it seems to me, is expected at the present time, in terms of individual stations to be a combination of the *New York Times*, the *Toronto Telegram*, the *New Yorker* and a variety of publications.

Mr. PICKERSGILL: Mr. Chairman, on a point of order, I wonder if there is not a ruling against profanity?

The CHAIRMAN: It depends which way you look at it. Are we through?

Mr. RICHARD (*Ottawa East*): What you are saying is that the standards should follow the demands on a particular unit. That is about the size of it. There is nothing else. That is all a station should be asked to do.

Mr. JAMIESON: I would agree with you, yes sir.

Mr. SMITH (*Calgary South*): If that is correct it would be very difficult under any circumstances to bring in anything which would be acceptable to the C.A.B. in the way of unified regulations.

Mr. JAMIESON: If you are referring to standards of programming; but I do not think you could bring in standards that would be acceptable to anyone, least of all the Canadian public.

The CHAIRMAN: Are there any further questions on paragraph (b)?

Mr. McCLEAVE: Are you not suggesting that an outline or code of standards should be submitted?

Mr. BROWN: What was that?

The CHAIRMAN: Mr. McCleave asks if you have drawn up a code of ethics.

Mr. BROWN: The C.A.B. very recently published a code of ethics to which most of the member stations have applied for adherence.

Mr. SMITH (*Calgary South*): This is applicable just to television?

Mr. BROWN: No, it is applicable to radio and television.

Mr. CHOWN: Would it be possible to table this code?

Mr. ALLARD: Yes. I do not have a copy of it with me, but I shall be pleased to file one with the clerk.

Mr. CHOWN: Together, with a list of the stations which have subscribed to it?

Mr. ALLARD: Yes sir.

Mr. MACDONNELL: What are we to assume would be the moral status of those who did not subscribe to this code of ethics?

The CHAIRMAN: Order. Are we through with paragraph (b)? If so, may we pass on to paragraph (c)?

(c) respecting the character of advertising and the amount of time that may be devoted to advertising;

Are there any questions on paragraph (c)?

Mr. PICKERSGILL: Does the C.A.B. think it would be desirable for the B.B.G. to make specific regulations regarding the character of advertising?

Mr. BROWN: They have done so already, in our view.

Mr. PICKERSGILL: In your view, yes.

The CHAIRMAN: Are there any further questions on paragraph (c)?

Mr. PITMAN: I would like to bring up a particular problem which has caused some amount of concern in the house. This is the problem of a station which is in a position very much like the one Mr. Jamieson was speaking about, where the station has virtually complete control, and where it refuses advertising for what is considered to be competitors.

This happened at Nelson B.C., where a radio station refused to accept advertising of a competitor. Let me quote from this letter. This gentleman was starting a newspaper, and the radio station owned a newspaper as well. He said:

Now that your paper is establishing itself as a regular advertising media, seeking its business from the same customers as ourselves it is not reasonable that we should be defeating ourselves by building up in any way the success of a business competitor.

What we have here is a situation which, I think, is rather fantastic, where a radio station can refuse advertising of its competitor. How do you feel about that? Should there be a regulation?

Mr. BROWN: Are you directing your question to me?

Mr. PITMAN: Anyone at all is welcome to pick it up.

Mr. JAMIESON: May I say that I believe this is extremely rare. I do not recall in ten or eleven years of being in the broadcasting business in Canada another incident comparable to this one.



I believe that the B.B.G. has had this matter called to its attention, so I would not want to anticipate what the Board's feelings are on this matter, because I do not know them.

In a very general way I am aware of not very many instances where so-called competitors are deprived of time on any radio station. On the other hand, I would certainly agree, and I think this committee would agree, when I advocate that there be a regulation or ruling in this regard that would be of general application.

I am thinking, for instance, of advertisers, or rather of station operators who refuse certain types of advertising as a matter of conscience. This would apply in some situations to a variety of different products which they might advertise and use on the station. But I would think that this instance would be very rare, rather than the rule. I think that is about the most I can say on it.

Mr. PITMAN: Surely for that matter there should be a difference between accepting the kind of advertising that a station might dislike, and refusing to accept any advertising, should a station be able to refuse advertising from another station.

Mr. JAMIESON: Again you would have to take the individual case and assess it on its merits. Let us suppose there were two television stations in a given market. Would the committee consider it reasonable that a station which was in difficulty, for instance, could move over to its competitor and run ads which say; "Don't you think this is a terrible program? Do not look at this. Switch over to our channel." This certainly would be refusing competitor advertising, and it is conceivable that it could happen.

Mr. PICKERSGILL: I would like to ask a supplementary question of Mr. Jamieson which might perhaps clear up the matter. The situation, as I understand it, in British Columbia would be comparable to a situation which might arise, let us say, in St. John's, if, for instance, the *Evening Telegram* decided to put on a circulation campaign and it came to station CJON and asked them to accept that kind of advertising, knowing that station CJON is perhaps not entirely uninterested in a publication, in another paper. Would that not pose any problem?

Mr. JAMIESON: In that very case, in fact, we have done it on several occasions. You have to accept my answer. That is what you would have. If you were going to talk about the refusing to accept a company, there should be the same basis of regulations which you would extend to all forms of publication, that is, to a newspaper or to two newspapers in a particular area, where conceivably a television station might be seeking advertising in a newspaper.

Mr. PICKERSGILL: Surely no one would think that it was reasonable for one television station, or one radio station to be expected to take advertising for its competitor radio station. It is a different matter when the radio station happens to be interested in some other form of publication, and as a radio station it refuses to accept advertising for the competitor.

That raises a question which I would like to put to you. It was put to the B.B.G. It has to do with the kind of advertising, where a radio station makes itself absolutely not only the vehicle of advertising, but of vendors as well. Perhaps Mr. Allard would like to comment on that.

Mr. ALLARD: I recall the question. It was a very general one, with no specific company given. In so far as the question itself was concerned, I am not aware of any instances of this kind in Canada.

Mr. PICKERSGILL: One hears of it on station CBO every morning, when they tell us that we may buy the *Red Book* magazine, and we may write in to station CBO here in Ottawa. Do any of the private stations do that kind of thing?

Mr. BROWN: There is a difference; there is what is called per inquiry advertising. This is prevalent to the south of us. That is where an advertiser has a product, and he will pay a station so much for every inquiry it receives for his product, rather than buying the time at a regular, rate card rate.

On the other hand the instance you cite is quite legitimate in the area of purchasing services or a product. They simply use the station as an address to which to write.

Mr. JAMIESON: I do suspect in the case of this particular announcement to which you refer it would be a mailing address. I cannot imagine CBO getting into a so-called per inquiry business. It would be a very haphazard way to cut down on the large amount that parliament has to provide.

Miss AITKEN: Three Toronto newspapers advertise each other all the time. They take big ads in each other's papers.

The CHAIRMAN: Toronto the good!

Mr. NEILL: I would like to add this if I might: that if a station has to maintain the character and standard of its advertising, then if there were any regulation compelling them to take any and all advertising, it would make it impossible for any station to control the character and quality of the advertising which it was producing.

The CHAIRMAN: Are there any further questions?

Mr. BALDWIN: Mr. Chairman, I would like to bring up a matter in connection with something which Mr. Pitman mentioned.

Does your association take the position that it has a tittle of right to reject or refuse any program or advertising, unless compelled to do so by the executive of the B.B.G.?

I am thinking of a situation, for example, where a man goes in and asks to be served a glass of beer and, if rejected, brings an action to compel the proprietor to serve him the beer. Not that I am comparing your association to the venders of spirituous liquors, but it is a parallel situation. Do you feel you have the right to reject programs or advertising?

Mr. BROWN: I think the station must assume that, because it is responsible, in the final analysis, for what is broadcasts. It must have the right to refuse to put on anything, be it a program or advertising.

The CHAIRMAN: Are there any further questions?

Mr. SMITH (*Calgary South*): Are we still on (c)?

The CHAIRMAN: Yes, (c).

Mr. McINTOSH: Incidental to what one of the witnesses brought up—and I believe he said something about a rate card and so much per inquiry—is that the maximum that any station can collect for advertising?

Mr. BROWN: It can charge premiums for production—and this is done in very many cases. You cannot always put the cost of production on the card, because you do not know how much it is going to be.

Mr. McINTOSH: Well, supposing one particular station had a great many inquiries, would that be greater than the maximum they could charge according to the rate card?

Mr. BROWN: Of course, the incentive is, that by accepting such a thing, you would hope to get more than your ordinary rate. C.A.B. is opposed to per-inquiry advertising, and there is little of it in this country.

Mr. McINTOSH: I was thinking that certain stations with a certain number of listeners or viewers could only charge a certain amount, but another station with a greater number would have a higher rate card. Is the amount laid down by the B.B.G. as to how much a station can charge?



Mr. BROWN: No.

Mr. SMITH (*Calgary South*): Do you think there is any abridgment of the present regulations, in so far as your broadcasts are contained within the C.A.B., in connection with whether it is purely local or national advertising, and is this widespread? Is there any real differential between them?

Mr. BROWN: You mean on the individual station?

Mr. SMITH (*Calgary South*): On a station. Is there not a certain flexibility as to determining what the rate structure might be for a particular station in connection with a particular client, in competition with another one in the same station?

Mr. BROWN: Are you suggesting rate-cutting?

Mr. SMITH (*Calgary South*): Yes, I am suggesting rate-cutting.

Mr. SNELGROVE: Mr. Chairman, I am chairman of a committee called C.A.A.A.-A.C.A.-C.A.B. liaison committee and we have met three times already this year to discuss problems of mutual interest. I might suggest that no problem has been given more study and more time than this particular one. Not only have we failed to arrive at the justification, or the means by which you can differentiate, but in the United States they have not been able to—and they have been working on it for twenty years. Different rate policies are suggested by different groups. Some stations say that if there is a local retail branch in the town, it could be called local. Another station policy is: The market is big; one price to everyone. As far as we know, there is no solution to it.

Mr. SMITH (*Calgary South*): You are working towards more uniformity in the C.A.B.

Mr. SNELGROVE: Yes, and we are having a meeting next Friday, in Toronto, in order to go over it before our annual convention.

The CHAIRMAN: Have you a question, Mr. Chown?

Mr. CHOWN: No, Mr. Chairman; my question was answered. I was going to bring up something more fundamental. What are the regulations for establishing rates, and what is the control on them for advertising?

Mr. BROWN: I think, what we call the circulation of the station; that is, the number of people who both can and do listen or watch a station, and that is related to the economics and the market retail sales and everything else which goes into it. We attempt to assess it and come up with a rate structure. In some cases we might use comparable markets as a guide.

Mr. CHOWN: Is there any over-all authority which screens these rates?

Mr. BROWN: No.

Mr. CHOWN: Every station stands on its own feet and advertises its own rate in competition with the other outlets in the area?

Mr. BROWN: Yes.

Mr. JAMIESON: I believe, as a qualification to that, Mr. Brown will agree that in these matters where stations are affiliated with a network there is a certain formula for the establishment of the network rate as opposed to the individual station rate.

The CHAIRMAN: Have you a question, Mr. Pitman?

Mr. PITMAN: My question is answered.

The CHAIRMAN: If we are through with subsection (c), we will proceed to subsection (d), in respect to the proportion of time.



Mr. MACDONNELL: Am I correct in saying that no attempt has been made to define the phrase, "on an equitable basis", and, secondly, am I correct in thinking that it has been found possible to work out the basis amicably so that it has not been necessary to define it?

Mr. ALLARD: The answer is yes.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: Mr. Chairman, I would like to put a very fundamental question, which I really do not expect to be answered. However, I am going to put it just the same.

Have the Canadian Association of Broadcasters any views as to whether there should be any fundamental change in political broadcasting?

Mr. BROWN: Other than what we have suggested in our brief?

Mr. PICKERSGILL: Yes. I am referring to the 48-hour rule.

Mr. JAMIESON: Does Mr. Pickersgill mean content or character?

Mr. PICKERSGILL: Of course, my own views, and the views expressed by the party to which I belong in the House of Commons, are well known, and that is that political advertising should be prohibited, that only free political broadcasting should be allowed, and that the C.B.C. and private stations should be compensated out of the treasury for an equitable amount of these.

Mr. SMITH (*Calgary South*): I am delighted to hear that those are the views of the Liberal party.

The CHAIRMAN: Are there any further questions on subsection (d)?

Mr. PITMAN: Mr. Chairman, I would like to know from the Canadian Association of Broadcasters whether they have any particular feelings about political broadcasting in terms of the use of film clips and so on. This is something that came up very strongly a few weeks ago.

Mr. BROWN: Here, again, I think I should speak personally in connection with this matter. I do not think the Canadian Association of Broadcasters has taken a stand recently on this. I think that broadcasters generally—particularly when television came along—had hoped that there would be some flexibility in the use of this great medium in the field of politics. There has been some flexibility granted by the Board, and possibly it is not as much as many would have liked. We are familiar with the regulations in connection with dramatizing, but we feel that the medium could be used to full advantage for all parties, and for the government to show the workings of government to the people of Canada.

I do not know whether or not my colleagues would like to add something to that.

Mr. ALLARD: Speaking personally, I would like to add this, if I may: I am speaking from 27 years' experience in the broadcasting business, and 15 years of close observation of matters relating to politics, and I, personally, very strongly favour anything that would tend to make information about public affairs even more palatable and acceptable to the public of Canada.

Mr. JAMIESON: In so far as Mr. Pickersgill's first question is concerned, he said he did not anticipate getting an answer, and I believe the reason is that it is not a matter for the broadcasters, so much as it is for parliament.

I, personally, agree with the statement which Mr. Allard made. We perhaps more than you gentlemen, see the tremendous value of television as an expression of public opinion and the like, and I certainly agree that equality should be provided. I do not think anyone should be penalized because they cannot afford a great deal of television or radio time.

Mr. SMITH (*Calgary South*): Is it not correct that in a majority of instances economics, of course, is a factor, and that a number of stations attempt to follow this pattern: (a) they provide a great deal of free time, and (b) what is available commercially, especially on a one-station market, is allowed on the basis of party.

Mr. JAMIESON: Yes, I believe it is fair to say that. There may be some cases—I, personally, know of none—where a member or candidate has been inhibited, or has not obtained an adequate showing. Most stations are reasonably fair about it.

Mr. PICKERSGILL: I agree with that view.

The CHAIRMAN: If there are no further questions on this paragraph, (e) is next.

Mr. SMITH (*Calgary South*): Could I ask Mr. Brown a question at this point?

Mr. Brown, you cannot regulate the encouragement of Canadian talent, but you are as familiar, or perhaps more so than the committee, with the amount of Canadian talent which is leaving Canada and going to the United States. Are there any comments you would wish to make at this time about the contribution which you think the private broadcasters might make in conceivably making the salary sufficiently encouraging to keep them here?

Mr. BROWN: I think the C.B.C. itself has failed to do that. Again, I think it is an economic and geographical problem in this country. We are bound to develop talent, and we are bound to lose it. We are bound to lose some of our talent. How can we possibly compete with some of the rates paid in the United States, with the population they have to amortize the cost?

Mr. SMITH (*Calgary South*): You mentioned the C.B.C., did you not, and you said you felt the C.B.C. itself had failed to do that.

Mr. BROWN: I feel they have the same problem in trying to retain certain talent in this country. I think it is obvious from the record.

Mr. ALLARD: Mr. Chairman, I would not like to have the impression left that this particular fact is one that depends solely on economics, because it does not. There is a natural tendency for talent of all kinds to want to play in the "big leagues." It is natural for the performing player to want to get to Broadway and for the hockey player to want to get into the National Hockey League. This is the inevitable pattern.

Mr. JAMIESON: In this regard people are worrying about the loss of talent to the United States. We, who live outside the central part of the country, have as great a problem in losing talent to central Canada. It works two ways.

The CHAIRMAN: Mr. Baldwin has a supplementary question.

Mr. BALDWIN: You suggest, in your brief, that the word "talent" might well be replaced by the word "production".

Mr. BROWN: Yes.

Mr. BALDWIN: Do you suggest we should take this word "production" at its face value, or are you giving it a special interpretation?

Mr. BROWN: I think "production" encompasses a great deal more than the word "talent." I have heard members of the B.B.G. also refer to this. Sometimes we are inclined to think of talent in terms of artistic talent, such as singers and musicians, but I think all of us feel that Canadian production involves a great deal more. A good news operation of a broadcasting service is certainly talent. The capable newswriter or news commentator is certainly covered by the word "talent" and there are many other types of Canadian



production that we feel are truly Canadian and helpful in promoting Canadiana, at least as much, if not more so than just the use of artistic talent. Am I making myself clear?

Mr. BALDWIN: In effect you are suggesting that the replacing of the word "talent" by "production" would give rise to a wider interpretation?

Mr. JAMIESON: In this regard there are the people whom I mentioned on Thursday, the people behind the scenes. Talent, in a television station, rests in a very large measure with the cameraman, as many public men who have appeared on television have learned to their sorrow.

Mr. BROWN: May I add a word to supplement what Mr. Jamieson has said, and help to answer Mr. Smith's question? The licensing of second television stations in this country has made a tremendous demand on experienced staff. Many of the stations, including those represented by people around this table, know that quite a few of their talented people, upon whom they spent years and a great deal of money developing to their present stage of efficiency, are being employed by the second television stations. We have lost dozens of talented people to the larger markets in Toronto, Montreal and Ottawa; but I might add that we understand this is a normal development.

Mr. SMITH (*Calgary South*): I understand that some of these people must serve apprenticeships. They must begin somewhere, but I thought that perhaps those people who drafted the regulations were concerned with the question of people rather than with that of production. That is why I assume they put this regulation in the statute; and for this reason I was concerned that perhaps the C.B.C. had not given every consideration to developing Canadian talent among individuals. Your answer is that "Canadian production" can encompass people also?

Mr. ALLARD: That is part of the reason why we have suggested "production", to try and overcome the very problem we are now discussing. We feel this kind of thing could not happen if, perhaps, the performances of some of the persons Mr. Jamieson referred to in Newfoundland, could be placed on tapes and syndicated to other stations across the country. By doing that we would arrive, in part, at a solution of the problem.

Mr. JAMIESON: There is the point that talent requires direction and production. I am a great believer in the fact that the emphasis has been placed in the wrong place. You may have a good singer or actor, who has natural talent in abundance, but who requires a skilled director to bring out the best in him or her. I may say that darned good scripts are the greatest lack in radio today.

Mr. DANFORTH: I should like to suggest a general observation. If the purpose of the B.B.G. regulations is to increase programs and personnel, to promote Canada for the listening public, with the advent or increase in the number of private stations, and the increase in both radio and television as media, how does this affect the status of the pool of so-called Canadian talent over the past three or four years, and what is the prospect for it in the future? Is the availability of this talent increasing? Are amateurs included in this pool and are they taking advantage of this extension? Is the pool more or less static? My question is promoted by the fact that you keep on dealing with the necessity to enlarge on the definition of Canadian talent. Do you consider it static, and is it your wish to broaden the regulation to provide for an increase in Canadian talent in these various fields?

Mr. JAMIESON: I would say at the moment there is cause for concern about the amount of talent. It is strained to the limit, as one of my colleagues said at one point. If, for example, you were to differentiate between the front of the camera and behind the camera, you must take into consideration the fact that there have been ten new licenses issued in television, give or take



one, not one of which would be able to operate in the larger markets with anything less than 150 people behind the scenes. This has meant that almost overnight there was a demand for 1,500 to 2,000 people who understand the tremendously involved nature of the work. I am speaking of people who can prepare scripts and background material. Unquestionably there is a shortage of good technical people in radio and television.

Mr. SMITH (*Calgary South*): If that answer is correct, are you not somewhat concerned about enlarging programs to 55 per cent Canadian content without somewhat lowering program status?

Mr. JAMIESON: This is precisely the point I made on Thursday. We are going to get quantity, but are we going to get quality? I think it is going to be extremely difficult in many areas, particularly the smaller areas, because inevitably the talent that is available in Canada is going to gravitate to the larger centres. This is almost inevitable.

Mr. LAMBERT: But is that not the experience of any developing entity?

Mr. JAMIESON: Yes, I expect it is.

Mr. LAMBERT: Did you think you could blow out of thin air trained technicians and all these people needed for the industry, unless you trained them by experience?

Mr. JAMIESON: But my point was that there had been this dramatic development over a period of one year. I doubt very much whether in any other industry, where there is a shortage of trained people, there has been such a change in a period of about eight months.

Mr. SMITH (*Calgary South*): Might not some of the criticism rest at your own door, that the organization and stations you represent have not brought the talent up to the requirements needed?

Mr. JAMIESON: I am inclined to agree that some of the criticism rests with us but, up to now, individual stations have not had a network opportunity to give these people an outlet, other than the one which comes under the larger stations in Toronto and Montreal.

Mr. DANFORTH: I understand the problem you speak of; the talent goes to other stations and is lured to the United States because of the higher remuneration available there. However is it not a factor that, due to this extreme scarcity of the necessary production talent, there might be a flow from the United States into Canada, to take up that slack temporarily?

Mr. JAMIESON: I think some of my colleagues would be in a better position to answer that.

Mr. BROWN: I do not think there would be a substantial flow. I think there are some Americans, however, who may feel they would want to come to Canada because they would have a better opportunity to do here whatever they wanted to do.

Mr. DANFORTH: Where would personnel come from if they were not available? That is my point.

Mr. SNELGROVE: I should not like to leave the impression that we have a completely negative outlook with regard to the supply of talent. Our Association has been working with the Ryerson institute in Toronto, and, as you may be aware, there will be a crash program to meet the emergency. The usual two year course will continue but, along with that, we have this 30 day crash program which will improve and train those now in the business, as much as possible in that short period. About 150 persons from right across Canada will be taking part in these programs, which are subsidized by the broadcasting stations. That is one step we have taken to try and fill the

gap, and we should like to think that if the results are favourable it might inspire some of the other provinces to establish schools along the lines of the Ryerson institute.

I have been a school board member for many years and I have always felt, at secondary school level, if a student is not going to "matric", his professional development is very limited because of the lack of facilities in most provinces. Usually such a student ends up working in a gas station or driving a truck. In other words, he has not the I.Q. or aptitude to get ahead; but many of his kind would make good trained crews for television camera work, as switchers or cameramen. The number turned out by the Ryerson institute has never approached the demand.

On the other hand, if a private station takes in a man untrained or only partially trained, within the limitations of its own staff who have to continue to do a day's work, it has to train that man and, possibly, eventually will lose him to another station. We expect such difficulty. It is part of the development of any business. It is part of baseball, going from the bush league to the major league, but I believe there is a shortage of the facilities necessary to train people of this sort, let it be in commercial art or otherwise. The Ryerson institute is doing a fantastic job but I do not think it can cope with the demand that exists.

Mr. PITMAN: Before moving in front of the camera again I should like to say that I am interested in your remarks about training people as technicians. Some stations seem to have concentrated on very few people. The C.B.C. programs seem to use a small number of people over and over again; they seem to be in every program. I wonder would the C.B.C. opinion be in favour of setting up some sort of dramatic school, very much on the same lines you are talking about in regard to the Ryerson institute, to develop talent in relation to television programs, which is very different to the talent required for stage programs.

Mr. BROWN: If I may answer that, Mr. Chairman, C.A.B. recognizes the need for encouraging people in drama and, in addition to what we do locally, working with little theatre groups and drama groups, this year, as has been made public already, we are acting as major sponsors of the Dominion Drama Festival. This is the very thing you are suggesting and we shall always do what we can in this line.

Mr. McCLEAVE: What bothers me are the remarks made by station applicants, before they receive their licenses, about the development of Canadian talent, in contrast to the remarks this morning that they really cannot get along with the job. I think Mr. Brown or some of the other witnesses should correct me if I am wrong in that assumption. This is an aspect of the matter of the development of Canadian talent that we should clear up.

Mr. ALLARD: This comes back to a very basic point. The Canadian Association of Broadcasters and most of its member stations have been subsidizing, and continue to subsidize, study courses of various kinds in conjunction with existing schools, universities, other groups, and various dramatic groups right across the country. The fact is that we have now student federations in western Canadian universities, with whom we are working very closely. But, to get to the basic question, talent, in order to command an audience, must be talent in the precise meaning of the word. You cannot put an artist on a national network who can only play four selections on the violin. Basically there is a shortage of that real kind of talent throughout the entire world. The entire world does not produce that many top-notch actors, writers, singers and dancers in any given year. That is one of the reasons why we suggest deleting the word "talent" and substituting "production" for it.



Mr. SMITH (*Calgary South*): Mr. Brown, I know by the nature of your replies to questions that C.A.B. does not adopt the attitude that the C.B.C. alone should be responsible for developing talent, but I think some private broadcasters seem to take this view. We have learned from you now that you are sponsoring the Shakespearian drama festival, are going to develop study groups, and through the C.A.B. you are also carrying out some other research. In fact, about half of your brief deals with specific instances where stations are encouraging talent. You have given us three examples of where you are contributing to the standard of programming and developing talent. I would like to ask if there is anything else you feel you contribute in developing the standard of programming and in developing more talent. Mr. Jamieson said that he is concerned about reaching the 55 per cent Canadian content. Is there any other action you are taking?

Mr. BROWN: I would like to try to summarize my answer. First of all, we are not sponsoring the Shakespearian festival; it is the Dominion Drama Festival. To get back on to the rails in relation to paragraph (e), our whole thought was to widen the definition of talent. In the brief we said that we believe the intent of this section was to encourage the production of material designed to reflect the Canadian way of life, and so on. I do not think we are taking a negative view towards talent at all. Quite the contrary. We just want to widen the base which we feel is the intent of the act. There are members of the B.B.G. who also feel the word "talent" needs to be broadened.

Mr. SMITH (*Calgary South*): Your reason or motivation in wanting to widen it is not just to make it somewhat easier for you to apply. You think this is going to encourage people? I am suggesting to you the purpose of this regulation as it is is to encourage a greater volume of people in Canada to perform through the vehicle of television. I am asking you specifically if your definition of this is not really to make it easier for you perhaps not to comply with the regulation.

Mr. ALLARD: On the contrary. We feel the amendment we suggest will make it possible for us to make better and more frequent use of the persons available now and who are likely to be available in the foreseeable future.

Mr. JAMIESON: In the C.B.C.'s top series this year, the Festival 61 series, it so happens by their own admission it is difficult to get variety in these programs in this prestige series which is perhaps the greatest thing they have done as a reflection of what is meant by Canadian content. Although these productions have been excellent the truth is there are only three or four original Canadian scripts in this series. We had various Shakespearian plays and in terms of talent, if you interpret that, it does not embrace scriptwriters. Where do we get persons who will write a history of Canada in the good dramatic form television does require? We had Posterity Versus Joseph Howe. A lot of actors have worked because there was a Shakespeare. I think this is the emphasis we want to embrace.

Mr. LAMBERT: Does it not boil down to this, that the demand will bring forth the supply and at the moment the supply is not there because the demand was not there either?

Mr. JAMIESON: Perhaps in part you are correct. There is a limit. There are 180 million people in the United States as opposed to 18 million here and unfortunately the complaint about the same old faces is being heard in the United States somewhat to the same extent it is in Canada. There are only so many really talented persons.

Mr. ALLARD: And in every country in the civilized world.



Mr. LAMBERT: There has been sort of an explosion in the number of stations and the demand for people at the moment. I would put it to you that perhaps the previous limited demand, through the limited number of outlets, was a discouragement in respect of supply.

Mr. JAMIESON: I think it goes right back into our educational system. It is not just an island problem which applies only to broadcasting.

Mr. RICHARD (*Ottawa East*): Does the whole question not come to this: you must provide a standard of programming for the community which will appeal to enough of the public to support the station. I think there is one thing you're forgetting. In smaller centres, and in individual centres, your radio stations are producing an awful lot of amateur talent. Recently I have had occasion to read a number of briefs and I see that there is a lot of Canadian talent being developed. I believe what you need is some more time and then you will have a great deal of talent from your radio stations.

Mr. JAMIESON: Yes sir.

Mr. ALLARD: Some of this will develop. We are doing everything possible to develop it. In one area I think the broadcasters have done a bad job, and that is in bringing to the attention of the political and general public the amount of talent they do in fact use and develop, in some cases in remarkably small areas. We wish that every member of the house, had an opportunity to read the briefs submitted in respect to the award of which Mr. Richard knows. These indicate the tremendous amount of work being done in that direction.

Mr. MACDONNELL: When these licences were granted were the applicants called upon to indicate their adequacy of staff in order to carry out the duties they are asked to do? If so, is there any follow-up to see whether in fact they are carrying out what they indicated they are prepared to do?

Mr. BROWN: Are you referring to the licensing of the so-called second television stations? I think Dr. Stewart replied to you to the effect that he would see that the stations adhered to their promise of performance which they gave, but that he was not going to apply it until September, I believe.

Mr. PITMAN: I was impressed by the remarks about the lack of scripts. I get the impression this is a serious problem. Do you believe that in Canada very often television scriptwriting as a respectable profession is frowned upon?

Mr. JAMIESON: I quite agree. I think the writers themselves are very largely to blame. They "look down their noses" at it. We need to get past the feeling that this is a secondary substitute for something else. It is not; it is something new and a vitally strong medium. They turn out the potboilers for television while they are writing the great Canadian novel which never gets published.

On subsection (f)—requiring licensees to broadcast network programs of public interest or significance.

The CHAIRMAN: Are there any questions on this?

On subsection (g)—prescribing the terms and conditions for the operation of broadcasting stations as part of a network and the terms and conditions for the broadcasting of network programs.

Mr. SMITH (*Calgary South*): Is there any comment on (g), Mr. Brown?

Mr. BROWN: Are you asking for a comment on (g)?

Mr. SMITH (*Calgary South*): Has the C.A.B. or have you as an individual broadcaster any comment?

Mr. BROWN: I think we deal with this later on.

Mr. SMITH (*Calgary South*): You do not want to deal with it here?

Mr. BROWN: I think it might be better if we deal with it on the specific subsection involved. We do have a comment pertinent to this.

Mr. SMITH (*Calgary South*): Under (g), are you expecting any particular problem in so far as the availability on second television stations of C.B.C. programs is concerned?

Mr. BROWN: I understand that some of the second stations which are not receiving a network program from the C.B.C. have registered certain complaints with the C.B.C. I am not certain whether or not they have been registered with us; I do not believe so.

Mr. SMITH (*Calgary South*): I will ask the C.B.C.

On subsection (h)—prescribing rules of procedure for making applications and representations to the board and for the conduct of hearings before the board.

Mr. BALDWIN: I brought this matter up when Dr. Stewart was giving evidence. Does your association feel those rules of procedure are satisfactory? I have in mind specifically the question of whether you should have the right to reply after you have presented your brief and have the right to cross-examine.

Mr. BROWN: We have made certain recommendations to the board about procedures. That also comes up later.

On subsection (i)—requiring licensees to submit information to the board regarding their programs, financial affairs and such other matters concerning their operations as the regulations may specify.

Mr. McCLEAVE: Is there any objection by the C.A.B. to the force the B.B.G. has given to this subsection?

Mr. JAMIESON: I have the feeling, Mr. McCleave's concern is that the statements made in making an application are somewhat on the optimistic side. Is this the point you are making?

Mr. McCLEAVE: No. This subsection gives the B.B.G. broad powers to look into the operations of private companies. That was the intention behind my question. Also I might ask whether or not the C.A.B. has any particular thoughts on the workings of this subsection (i) regardless of the requirements by the B.B.G.

Mr. BROWN: I do not think we have any as an Association.

Mr. LAMBERT: With regard to financial affairs, will the C.A.B. have any obligation in respect of the applicants for licences, or changes of licences, being required to sign a statutory declaration or affidavit as to the ownership of shares and financial interests? At the moment there is no such thing.

Mr. JAMIESON: While there may not be the statutory declaration, I believe at most hearings I have attended there has been a specific question which has become a part of the record in which an applicant has to declare there are no voting trusts or that the share set-up is exactly as stated in the application. This becomes a matter of record. It is not a legal requirement.

Mr. LAMBERT: As a matter of record it has no status and a man would not be penalized. There is no sanction of it.

Mr. ALLARD: The application forms require a statutory declaration and signature.

Mr. LAMBERT: But I think you will find it is not to the extent of a declaration of ownership of shares and any voting trusts or beneficial interests or management interests.

Mr. ALLARD: Certainly the B.B.G. scrutinizes these matters in great detail and very carefully. I do know that.



On subsection (2)—notice of intention to make or amend regulations.

I think it already comes under subsection (1) of section 12, the same point.

The first is a matter I have already raised. The second is this: do you know if Dr. Stewart, when making his comments on this subsection, said that in his opinion this was the interpretation they were giving to this subsection, that this was not intended to be a restricting section, but that it was for the purpose of permitting any person representing a substantial section of public opinion to appear and to give evidence, and to present his views; but that these people whose names were definitely mentioned, must be given notice. Are you satisfied with Dr. Stewart's interpretation, or do you want this spelt out and put in a subsection?

Mr. BROWN: I think our concern is that we want to have a clarification of what was the intent of parliament in the subsection. Dr. Stewart said the practice has been to hear interested parties—not just interested applicants or station licensees. We are quite satisfied with the procedure being followed. I believe it should simply be clarified in the subsection.

The CHAIRMAN: Are there any further questions on subsection (2)? If not shall we go on to section 12 (1)? Are there any questions on paragraph (a)? Have you any comments to make on this section at all?

Mr. LAMBERT: Yes. There seems to be a lacuna here in reference to the application or regulation that should be made to the board because of an application for an increase of power, a change of channel, or anything of that nature. It is continued in the subsection, and I think there is a gap there. I was wondering if you had ever felt that it required clarification?

Mr. ALLARD: I think it brings us to this point: that in section 12 the Minister of Transport is required to have certain things done before he takes action. In section 11 we are dealing with something that the B.B.G. is itself empowered to do by parliament. Probably that is the reason for having them separated in the act.

Mr. LAMBERT: You will see in section 12 (1) paragraph (b):

—before making any regulations or changes in the regulations under the *Radio Act* governing the activities of broadcasting stations, refer the application or regulation to the Board,

You will note that there is reference there to changes in the regulation.

Mr. BROWN: We did not notice that, but in fact this has been the procedure.

Mr. ALLARD: I think perhaps the word "amendment" has been so interpreted.

The CHAIRMAN: Are there any further questions on section 12 (1), or on subsections (2), (3), or (4)?

Mr. BROWN: I dealt with this when I gave an analysis of section 11. It applied to both.

The CHAIRMAN: Are there any questions on section 12 (4)? Or subsection (5)?

Mr. LAMBERT: Mr. Chairman, does Mr. Brown feel that every licence issued should be subject to the conditions and representations made on the application for such licence, and that the observation of those undertakings should be made a condition of the licence?

Mr. BROWN: Personally I feel very strongly that they should be.

The CHAIRMAN: Are there any further questions or comments on section 12? If not, are there any questions on section 13 "networks"? Have you anything to say as to that, Mr. Brown?

Mr. BROWN: We shall have, when we get down to sub-section (4), paragraph (b).



Mr. SMITH (*Calgary South*): What was that again please?

The CHAIRMAN: Mr. Brown said that he would have something to say when he gets to subsection (4) paragraph (b).

Mr. PICKERSGILL: May we take up the subsections seriatim?

The CHAIRMAN: Yes. Are there any questions on section 13(1)? Subsection (2)? Subsection (3)? Subsection (4) paragraph (a)? Subsection (4) paragraph (b)? Have you any comments to make on that, Mr. Brown?

Mr. SMITH (*Calgary South*): You have made some observation in your brief.

Mr. BROWN: Yes, Mr. Chairman. We feel that in respect to paragraph (b) of subsection (4) of section 13, in the part starting:

—but if the broadcasting station is operated as part of another network, no such permission shall be granted without the consent of the operator of such other network.

We interpret this to mean, as it is presently written in the act, that regardless of the B.B.G., whether or not there was B.B.G. approval the station affiliate would have to secure permission of the network to which it was affiliated, and that the decision of the network is final. We would question whether this was the intent of the act. We wonder whether or not it should be eliminated.

Mr. LAMBERT: Here is the point I raised about this: whether under the act the consent of the network operator is required when a station forming part of the network, for certain local reasons, had wanted to come in and form part of a local or regional network with non-reserved time.

Mr. BROWN: That is correct.

Mr. JAMIESON: There is some suggestion that this is at odds with the regulation. Is that not correct?

Mr. PICKERSGILL: It would seem to be a very arbitrary power to give the network.

Mr. ALLARD: The problem as it appears to us is that parliament has given the B.B.G. certain powers; and then in the last 28 words of paragraph (b) of subsection (4), it has taken those powers away from the B.B.G. and placed them in hands of the network operator.

Mr. PICKERSGILL: It has abated them at any rate.

The CHAIRMAN: Precisely.

Mr. McCLEAVE: Does a station not make that bargain pretty well on its own? If a station enters into a network, does this not enable the network to curb that station which may wish to take advantage of the best of both worlds?

Mr. ALLARD: No. Subsection (4) (b) refers only to the so-called temporary networks. You will note that the time extends for only a period of one month.

Mr. LAMBERT: Surely it is not suggested that this be permissible under reserved time, under the agreement?

Mr. BROWN: No. It is quite understood when the reserve time is laid down in the agreement. Certainly you could not expect to affiliate for these 30 days, in connection with another network, during this reserved time.

The CHAIRMAN: Are there any further questions on subsection (4) paragraph (b)? Or subsection (5) of section 12?

Mr. LAMBERT: There, I presume, it is permitted to other interested parties, rather than just merely to the corporation and other interested licensees, to have an opportunity of being heard; or do you feel that they should be so?

Mr. JAMIESON: If I might be permitted to express a personal view, it is always a problem, as to whether or not anybody may move in and make representations in a matter like that, or whether it should be confined to those persons who are permitted, which would be licensees and corporations. It is really a matter of how far, for example, either parliament or the B.B.G. wish to go in having anyone who cares to do so to make a statement or present a brief.

The CHAIRMAN: Are there any further questions under subsection (5) of section 13?

Mr. CHOWN: We have been getting opinions on this question that Mr. Lambert raised as well with the B.B.G.

Mr. ALLARD: Part of the reason for our suggestion in the first instance was this: that on any point involved here, it is essentially the corporation and other interested applicants and licensees who are required to be heard, whereas in fact the B.B.G. has been hearing other parties. So it occurred to us first, that it might be well to test the intent of parliament, and if it agrees with the B.B.G. procedure, then to regularize it by amending the legislation.

Mr. PICKERSGILL: I am not a lawyer, but I would question very much, sir, whether it would be desirable to restrict the freedom of the B.B.G. by attempting to set down categories of persons who have to be heard. After all, they are perfectly free under the act to hear anybody else they wish. But it might very well be that if we attempted—or if parliament attempted to set down categories of persons who must, upon request, be heard, then you would get interminable hearings, as is the case with many of those boards in another country.

I would be somewhat dubious about attempting to do more than provide for the really interested parties being heard, in the accepted sense of the word "interested", that is, in the technical sense.

Mr. JAMIESON: Is this committee satisfied that there is no inhibition in this—in other words, that the board is free to call any group or party that it chooses?

Mr. LAMBERT: The only thing is the interpretation of this. I agree that anybody or individual representing a substantial volume of interested persons could insist upon being heard, but if the B.B.G. and other parties should say no, then what?

Mr. JAMIESON: This was our case, of course, exactly.

The CHAIRMAN: Are there any further questions?

Mr. MACDONNELL: What about the use of the word "licensee"? I wonder if it does not limit the amount. And what about the words "parties accepted"? Is "accepted" an all-inclusive word?

Mr. ALLARD: We rather felt that it was an extending word, although we did precede that with the word "interested"—I think you would have to define legitimate interest, and it would have to be left up to the Board.

The CHAIRMAN: Is that compulsory?

Mr. MACDONNELL: It is limited to that extent?

Mr. PICKERSGILL: It is a compulsory obligation. It is limited as it stands, but I can see nothing in the act which prevents the B.B.G. from calling any witnesses it likes before it reaches its own conclusion.

What the act does is to say that only certain people have a right to be heard. My own opinion is that the only people who should have the right to be heard are those who are already specified in the act.

Mr. ALLARD: If that be the situation, we would be content. We put our suggestion forward largely as a question for the purpose of clarification.

Mr. PICKERSGILL: After all, we have some assumption that the board will use some good sense in this matter.

The CHAIRMAN: Shall we pass on to section 14 "Non-Canadian Interests"? Are there any questions on section 14 subsection (1) paragraph (a)? How do you feel about the definition of Canadian ownership? Do you think it ought to be limited to Canadian citizens normally resident in Canada?

Mr. JAMIESON: You might embrace Los Angeles on the side.

Mr. PICKERSGILL: What are the views of the C.A.B.—or might I ask any of the witnesses—as to limiting it to a Canadian citizen? Is it not rather restricting it to persons who landed as immigrants, when for five years they are put under a compulsory disability? That is to say, notwithstanding the fact that a man is a British subject, after one year he is allowed to vote, but he still cannot be an applicant for a radio station.

Mr. SMITH (*Calgary South*): I wonder if the C.A.B. as an organization has had to deal with this individually, and if they have any comment to make on it.

Mr. BROWN: Yes. Speaking individually, I would say he could do it at least under paragraph (b), but not under paragraph (a), as part of a corporation.

Mr. SNELGROVE: I cannot quite quite follow the remarks of Mr. Pickersgill. Speaking individually, let us suppose a man comes from the United Kingdom. He can vote after one year, but he cannot have a radio station for five years. I think this is exactly what was intended, with all the responsibility inherent in the granting of a licence. I do not think that a person coming from a foreign country or from another country to this land, can attempt to express his obligations, and to understand the culture and thinking and responsibilities in one year. He would be a very unusual man who could adapt himself to the Canadian scene in such a small length of time. I know that Mr. Jamieson has been a Canadian now for eleven years.

Mr. SMITH (*Calgary South*): And he still has some learning to do.

Mr. PICKERSGILL: Mr. Chairman, I am surprised that Mr. Snelgrove is so unaware of the provisions of the Citizenship Act. Mr. Jamieson has been a Canadian citizen ever since his birth.

Mr. JAMIESON: I was 29 years old when I was born.

Mr. SMITH (*Calgary South*): And look how you have grown up since.

Mr. PICKERSGILL: When you were made a retroactive citizen.

Mr. SNELGROVE: That answers my question. Situations like Mr. Jamieson's are automatically covered, and he has all the rights of a Canadian citizen 29 years retroactively. However, we have community broadcasting stations, and we have all elements of the community expecting certain things from it. You should be able to cope with this, and certainly, one year's residence in Canada of a person, say from Ireland, does not normally equip a man to fulfil his obligations.

The CHAIRMAN: Did you say specifically from Ireland?

Mr. JAMIESON: I thought I would be specific.

Mr. LAMBERT: In so far as the section limits itself to the issuance of a licence, what about the renewal of a licence? Has the Canadian Association



of Broadcasters considered what would happen if ownership of a radio or television station had been affected by the change of citizenship after the granting of a licence, and what would happen if a licence came up for renewal? Have you considered that under this section?

Mr. SNELGROVE: I believe the Department of Justice is looking into this matter at the present time. It was brought to light recently in connection with a station in Toronto.

Mr. LAMBERT: It does not necessarily have to happen with the citizenship of the individual; it may happen within a corporation—a change in the corporate structure. However, this applies only to the issuance of the licence and not to the renewal.

Mr. JAMIESON: Again, we have the Board's statement, being an interpretation of the Act, and I believe that within the last one or two years they have indicated that a licence renewal is comparable to the issuing of a new licence. So, they would interpret this as being the same as the issuing of a new licence, judging from their statement on that point.

Mr. LAMBERT: This is the B.B.G. to which you are referring.

Mr. JAMIESON: Yes.

Mr. MACDONNELL: Are we not taking seriously Mr. Lambert's suggestion about "normally resident in Canada." I think it is very practical. I know of a case where it may be very practical, and I would like to see that inserted.

Mr. BROWN: Would you like a comment on that?

Mr. CHOWN: Yes.

Mr. BROWN: We have not thought about this since it is an entirely new suggestion. To me, personally, it seems to make good sense that they should be normally resident residents of Canada—and this is my personal observation.

Mr. ALLARD: Speaking for myself, I associate myself with Mr. Brown. I think this section is a desirable and effective safeguard, and I would have no hesitation in embracing Mr. Lambert's suggestion.

Mr. LAMBERT: Not suggestion—query.

The CHAIRMAN: Are there any other questions under (a)? If not, are there any under 14(1)(b)?

Mr. MACDONNELL: Under (ii), do we feel that it is necessary to make it clear that there must be only one corporation? Supposing there were two? Do we attach supreme and definite importance to it being only one?

Mr. LAMBERT: Would that not be covered under the Interpretation Act?

Mr. MACDONNELL: I wondered about that.

Mr. JAMIESON: Would it not be the case that a licence is granted only to one corporation, in any event—either to a corporation or to an individual? I do not know of any instances where a licence is held jointly by more than one corporation.

Mr. PICKERSGILL: But, there could be more than one corporation holding shares. I think Mr. Macdonnell is referring to the small (ii) under (b), a corporate shareholder of the licensee.

The CHAIRMAN: I think it would be better to ask that question of the B.B.G.

Mr. PICKERSGILL: Or their solicitor.

The CHAIRMAN: Are there any further questions under subsection (1)?

Mr. SNELGROVE: Mr. Chairman, if I may go back in connection with this matter of "Canadian" or "non-Canadian" interests, I think it is well to keep in mind that operating arrangements with foreign interests legally can

be entered into, and thereby bypass the intent of the ownership. The ownership under the Act may reflect a certain percentage of the profits or losses of the company, but I rather think that the act is intended to pin down the responsibility of management in a very real sense and, as long as the American company, for example, is limited to 25% equity control in the Canadian broadcasting entity, it has an irrevocable contract, and is not the act in effect defeated? I am not suggesting that this is bad or good, but only posing the question of how realistically this intent can be effected.

The CHAIRMAN: That might be a good question for the B.B.G.

Mr. BALDWIN: Or their solicitor, because there is a specific rule that you cannot do indirectly what you are prevented from doing directly. We should ask their counsel about that.

Mr. PICKERSGILL: Mr. Snelgrove has raised a very important point, and I think we should take it up with the B.B.G.

Mr. ALLARD: I believe there is a proviso under part II of the regulations made under the Radio Act providing that the station must be operated by the licensee, his bona fide servant or employees, except with the specific consent of the Minister.

Mr. PICKERSGILL: But, this should not be done by the Minister of Transport, who has not a prime concern in it; it should be done by the B.B.G.

Mr. ALLARD: It might be a more workable arrangement.

Mr. McCLEAVE: If we agree that under 14 (1)(a) a Canadian citizen should be normally resident in Canada, is the Canadian Association of Broadcasters of the same opinion—that there should be added the following words to 14 (1)(B): “At least two-thirds of the directors of which are Canadian citizens normally resident in Canada.”

Mr. JAMIESON: I am not at all sure that this would be a necessary addition. I think if the major party concerned is normally resident here, this might work a hardship on a shareholder—somebody who merely has an investment, an unoperational interest. This refers to directors, so he presumably has operational control.

Mr. SNELGROVE: This is similar to the old age pension—those who wish to live in Florida.

Mr. McCLEAVE: How can you be a director if you live in Florida? If you did, you could not carry out your functions.

Mr. SMITH (*Calgary South*): You could be searching for talent.

The CHAIRMAN: Perhaps the officials are unable to answer that question.

Mr. McCLEAVE: Do they feel there are companies where many of the directors are Canadian citizens but do live abroad?

Mr. JAMIESON: The trend of the last year or so is something that will make this a little more important than it has been in the past. It seems that we now are getting into an area of, if not multiple ownership, then certainly multiple management arrangements and various things of this sort, and whether or not it is going to continue is difficult to predict. However, if it did, it would have a much greater importance than it has now. At present the majority of stations are owned by individuals or small companies, and they have to stay on the job to keep things running smoothly. But, if it reaches the stage where there are large corporations buying into and becoming involved in a number of stations, then conceivably having a majority of the directors resident in Canada would be more important than it is at the present time.

Mr. McCLEAVE: You would object to these words being added?

Mr. JAMIESON: Personally, I can see no particular problem at the moment, but I do not know how my colleagues feel about it.

Mr. BROWN: Well, other than the point that Mr. Jamieson made, that if this type of buying into existing broadcasting organizations by foreign interests continues, it might become an awkward arrangement, I have nothing further to say.

Mr. McCLEAVE: At least two-thirds of the directors have to be Canadian citizens, and I am asking if there should not be the words added, "normally resident in Canada."

Mr. BROWN: I, personally, can see nothing wrong with it.

Mr. NEILL: This is something which we have not studied to date, and it is difficult for us to make a snap decision on it.

The CHAIRMAN: Subsection (2) is next.

Mr. PICKERSGILL: I would like to ask Mr. Allard if any of the members of the Canadian Association of Broadcasters actually are qualified under subsection (2).

Mr. ALLARD: To my knowledge, there was only one who did so.

Section 14 agreed to.

On section 15—suspension of licences.

Mr. BALDWIN: I do not know whether or not this is the right subsection to ask this question, but there was a suggestion made by Dr. Stewart when he was here, about various alternative penalties which he felt might be requisite. One of them concerned an alternative of imposing a penalty in the event of there being certain infractions, rather than a suspension. Have you any comment to make on that suggestion?

Mr. BROWN: I think Dr. Stewart suggested a fine of some type.

Mr. BALDWIN: He pointed out that there were the two courses now; summary conviction and suspension of licence, and he thought there might be cases where somewhere in between it might be proper to impose a penalty in the form of a fine.

Mr. BROWN: There, again, we have had no opportunity to form any policy in this connection. As you know, we do have one, namely subsection (3), which is related. Possibly one of the other gentlemen may have a personal comment on this.

Mr. JAMIESON: I have just this to say. It has to be borne in mind, when it comes to some form of suspension or any type of penalty, that a licensee is never more than five years away from renewal and, very frequently, is substantially less than that. So, suspension, or even a fine, is not anything closer to a deterrent than the prospect that he, sooner or later—and in most cases sooner—has to get up before the board and defend himself. I suggest the imposition of a fine would be tremendously unwieldy by the time you went through the process of hearings for this type of thing, which, I imagine, would have to be built in as safeguards.

Mr. LAMBERT: In this regard, I have in mind perhaps a hypothetical situation where the licensee is in complete breach of one of the stipulated undertakings that he made on his application, and that you are not going to wait five years to have that matter of the renewal of his licence brought up. But what happens if we go through the procedure of a suspension, and he purges the period of suspension—say he is suspended for 30 days but has not cured his contempt—then do we go through the whole rigmarole again?

Mr. ALLARD: The penalty of suspension in relation to a broadcasting station is a very severe one. Any broadcasting station that goes out of business for



90 days would really be out of business permanently, because it would lose not only its business but its viewing public. I am not quite clear in my mind whether Dr. Stewart was speaking of a fine levied by judicial procedure or one levied by the B.B.G. If he intended the former I can see very limited improvement on section 18 of the act, as it stands. If he intended, however, that the fines be levied by the B.B.G., let me say that I am not a bit partial to putting this kind of power into the hands of any administrative tribunal.

Mr. JAMIESON: There would be relatively few cases which would require five years to get this before a renewal hearing. In many instances it would be substantially less, and I do not think anyone overlooks the tremendous power of the board. I believe this arrangement works reasonably well.

Mr. LAMBERT: What would you say if we can amend it so as to provide that the licence shall not be restored until the default or practice complained of has been cured? At the moment there is nothing in the act; you have to start all over again. For instance, I am talking of share interests?

Mr. MACDONNELL: May I answer that question? I share Mr. Lambert's doubts but I wonder if, under this, you can start it all over again. Once you do this is it not a matter of "one toot and yer oot"?

Mr. PICKERSGILL: If suspension is proceeded with, would it not be very hard to improve your programs while you were suspended?

Mr. ALLARD: In fact, it would be almost impossible. I should like to add that, personally, I feel legislative action is required only when there has been demonstrated serious, continuing abuse, particularly legislative action which places punitive powers in the hands of an administrative tribunal. I do not think anyone has suggested that this kind of situation of serious continuous, continual abuse, has existed.

Mr. MACEWAN: I should like to ask, has this section been applied to any members of the C.A.B.?

Mr. ALLARD: No, sir, and I think that speaks for itself. I take it that a demand for such action has not been necessary.

Mr. SMITH (*Calgary South*): That could be because of the severity. It may well be that Mr. Stewart's comments recognize the severity as something that is not quite so tough on the broadcasters because it has not been applied.

Mr. ALLARD: Alternatively it could just as easily mean that there has been no necessity to apply it.

Mr. CHOWN: I wish to ask a statistical question. How many individual licensees are members of the C.A.B.? How many radio operators are members of the C.A.B. and how many television licensees are members of it?

Mr. ALLARD: I have that information readily available. There are 198 privately owned radio broadcasting stations in Canada. Of those 162, or 81.1 per cent, are members of the Canadian Association of Broadcasters. There are 54 privately owned television broadcasting stations, of which 49, or 90.7 per cent, are members of the C.A.B.

Mr. LAMBERT: I should like to ask Mr. Brown or Mr. Allard—likening a suspension to a sledgehammer and the penalty under the criminal code to a tack hammer—does he not feel there is something needed in between?

Mr. ALLARD: I think a severe penalty would produce greater fear than a minor penalty.

Mr. BROWN: I think Mr. Jamieson came closer to the thing. The real power of the board is in its authority to re-license a station or not.

Mr. LAMBERT: That is a sledge-hammer?

Mr. BROWN: Yes, but it is the most effective and practical.

Mr. SMITH (*Calgary South*): The point is that they have the authority, and the regulations, under which they may throw the book at you if you have been naughty boys. I think the suggestion by the committee is that, if you have only been reasonably bad, there should be something less than the severe action stipulated in the section. Do you not think there should be a scale down from this severe measure?

Mr. MACDONNELL: Supposing this happened to a broadcasting station, that it was suspended for three months, can they not then get their licence back and go on for four years, provided they are good boys; or perhaps it is a case that they do not go back and get their licence again. I feel you are left in the air at the end of three months.

Mr. BROWN: As Mr. Allard pointed out, a three months penalty would be very severe. Are you suggesting, sir, that it would not be severe?

Mr. MACDONNELL (*Greenwood*): No, I am not. I know how serious it could be.

Mr. LAMBERT: But the suspension can be up to a period of three months. That means it could be only a week; but suspension for any length of time is a pretty horrible and awesome penalty, from a fiscal point of view. It would mean financial ruin.

The CHAIRMAN: Mr. Lambert, I think you have hammered this pretty well with a sledge-hammer, and I do not think the witnesses wish to commit themselves as between a sledge-hammer and a tack-hammer.

On subsection 2—carrying out of order.

The CHAIRMAN: Are there any questions on subsection 2?

On subsection 3—appeal.

Mr. SMITH (*Calgary South*): I should like to ask a question on this subsection and, in order to frame my question, I shall quote from your brief, where you say:

Obviously, there can in these circumstances be perfectly honest and legitimate disagreement on fact or upon the interpretation of actions and situations.

You then go on to say:

We believe that this section should be amended so as to provide, wherever a suspension of license is ordered, an appeal on questions of fact to the Exchequer Court of Canada.

Perhaps I should say at first that I am all in favour of providing a further referee, which is really what you are asking for on questions of fact; but would this not give rise to the possibility of a great number of disagreements with the board, especially in these early stages? I am concerned that we might fill the Exchequer Court with applicants asking for a re-hearing of disputes between particular stations and the board. I am wondering would it not be better to leave this as it is for a period of time, and then review the situation.

Mr. ALLARD: I would not anticipate that development because this only refers to a case where the suspension of the licence has been ordered.

Section agreed to.

Section 16 agreed to.

On section 17—political programs.

Mr. PITMAN: On subsection 1 (*a*), I should like to ask the members of the C.A.B. just how they would interpret the term "dramatized"?

Mr. ALLARD: Various other bodies have not been able to give a totally satisfactory answer to that question.

Mr. PICKERSGILL: A legal opinion was given by Mr. Varcoe, the former Minister of Justice. It is on file with the B.B.G. I presume they took it with the other files from the C.B.C.

Mr. MACDONNELL (*Greenwood*): Did he mention names?

Mr. PICKERSGILL: I do not think so.

Mr. McCLEAVE: It is like British news. If they move, that is "dramatized".

Mr. BROWN: Mr. Chairman, we have some comments on subsection 1 (b). As noted in the brief, we are suggesting the elimination of the 48 hour ban which applies to political broadcasting.

Mr. SMITH (*Calgary South*): We have taken note of that.

Mr. BROWN: I beg your pardon.

Mr. SMITH (*Calgary South*): I merely said the committee were aware of your objection.

Mr. BROWN: Have the members any questions?

Mr. PICKERSGILL: I should like to ask Mr. Brown if he is aware of the fact that this was considered by the committee on privileges and elections, and by the House of Commons at the last session?

Mr. BROWN: Yes.

Mr. PICKERSGILL: And I gather it was unanimous in both places to maintain it.

Mr. ALLARD: We are still hopeful.

Mr. LAMBERT: Have you noted any difficulty about the ban on political broadcasting? If you have a federal by-election in one part of the country and a municipal election in another extreme of the country that means you cannot have political broadcasting on that same day. Does that present a great problem?

Mr. BROWN: Yes, Mr. Chairman.

Mr. LAMBERT: The overlapping of a non-partisan election, a municipal election, with a partisan election in the offing?

Mr. ALLARD: A good many stations have reported extreme difficulty in this connection, particularly what I might term periphery stations, in places like Oakville which have difficulty when there are municipal elections in places like Toronto.

Mr. LAMBERT: Have the C.A.B. any suggestions in this regard?

Mr. ALLARD: Yes, we are suggesting the complete elimination of the 48 hour ban.

Mr. SMITH (*Calgary South*): I think this is the door we came in.

The CHAIRMAN: Well, the committee has heard the suggestion. Are there any further questions?

Mr. ROBICHAUD: Have the rates charged for political broadcasting some effect on this?

Mr. ALLARD: I think there is quite a wide area of misunderstanding on political rates. It is my information that the practice of most stations—the great bulk of stations—is to charge for political broadcasting at the same rate for comparable commercial service. The broadcasting industry, however, does operate on a discount rate structure under which a slightly lower rate applies if the advertiser purchases 13 or 26 units, rather than one unit, and it is not the custom to purchase political broadcast units in this order.



Mr. BROWN: May I also add, Mr. Chairman, that our concern about this particular subsection is not based only on commercial motives. This also affects news and other types of reference to anything that is political. I should also like to ask are members of the committee aware of the situation which occurred in British Columbia during the election there last September? I think this would be helpful to illustrate the point we are trying to make. May I elaborate?

Mr. PICKERSGILL: I think it would be very desirable to have elaboration.

Mr. BROWN: Very briefly, this was the situation. In Vancouver, in a Saturday edition preceding a Monday election, a newspaper published a front page story which, in the opinion of one of the opposition parties was definitely very favourable to another party. In this case there was no opportunity for the opposition party to make any rebuttal. This was an occasion when there was no opportunity to use radio or television because of the 48 hour ban, and there was no other edition of the newspaper prior to the election.

Mr. LAMBERT: I suppose, if the regulation were changed, it would be possible to buy television time at 11.30 on Sunday night and come out with the same story. Perhaps more people would see it on television than in a newspaper.

Mr. BROWN: There are two television stations in Vancouver.

Mr. LAMBERT: But, according to the regulation as now enforced, if you are going to give a political broadcast you have to file a script 72 hours beforehand. How could one party reply to another in that case?

Mr. McCLEAVE: Someone could broadcast right up to midnight.

The CHAIRMAN: We are off the rails again. Could we go on to subsection (2).

On subsection (2)—sponsor of political program to be identified.

Mr. PICKERSGILL: You have made some comments here, Mr. Brown, have you not?

Mr. BROWN: We are simply suggesting that because with this the type of advertising used by political candidates—short announcements rather than programs—it should be sufficient to identify the sponsoring party either before or after the announcements, but not at both times.

Mr. SMITH (*Calgary South*): I do not offer this too seriously, but do you not think the interests of a candidate could be better served, on occasion, merely by the identification rather than by what is contained in the short flash?

Mr. JAMIESON: If this is going in you will have hardly any room for material.

Mr. SMITH (*Calgary South*): That is my point.

On section 18—punishment.

The CHAIRMAN: Are there any questions on section 18?

On section 19—report to parliament.

Mr. PICKERSGILL: Is the C.A.B. happy about the report of the B.B.G.?

Mr. ALLARD: I cannot say we are particularly unhappy about it.

On section 20—expenditures to be paid out of appropriations.

The CHAIRMAN: Are there any questions on section 20? We have completed the part of the act which concerns the B.B.G. Part II concerns the C.B.C.

Mr. PICKERSGILL: May I make a suggestion at this point. Since part II applies to the C.B.C. and does not in all its sections directly concern the

C.A.B. at all, I wonder if we might simply ask the C.A.B. on which sections they would like to make observations. In that way me might be able to finish up this morning.

The CHAIRMAN: Is that agreeable?

Agreed.

The CHAIRMAN: I think that is a very sensible suggestion. Have you any comments on this part of the act, Mr. Brown?

Mr. BROWN: Yes. Our first comment is in connection with section 29. Mr. Allard will read our proposal for a change in the wording there.

Mr. ALLARD: We are suggesting that paragraphs (a) and (b) of subsection (1) of section 29 be deleted and that there be substituted therefor a single section reading as follows:

- (a) Establish, maintain and operate broadcasting stations and networks of broadcasting stations subject to approval of the Governor in Council following a recommendation made by the Board of Broadcast Governors pursuant to section 12 of this act.

The CHAIRMAN: Would you like to expand on that?

Mr. BROWN: Yes. We felt the wording here was a bit hazy in that it seemed to imply that the C.B.C. could establish facilities simply by permission of the Governor in Council with no reference to the B.B.G. We feel this should be clarified and we suggested it should have first the recommendation of the B.B.G.

Mr. PICKERSGILL: As is in fact the practice.

Mr. BROWN: As is the practice.

The CHAIRMAN: Are there any further comments on this? Are there any further sections on which you have any recommendations?

Mr. BROWN: Yes.

Mr. ALLARD: We are suggesting modification of paragraph (d) of subsection (1) of section 29 to read in this fashion:

Make operating agreements with broadcasting stations for the broadcasting of network programs subject to approval by the Board of Broadcast Governors pursuant to section 10 of this act.

Mr. CHOWN: Again I believe it is the practice. That is being followed and it is a matter of clarification.

Mr. BROWN: Yes.

The CHAIRMAN: Are there any further recommendations you wish to make?

Mr. ALLARD: We are also suggesting deletion of paragraph (m) of subsection (1) of section 29, and substitution for it of this phraseology:

Acquire broadcasting stations by lease or purchase, subject to approval of the Governor in Council acting upon a recommendation made by the Board of Broadcast Governors.

Again this is in the interests of consistency.

The CHAIRMAN: Are there any further recommendations?

Mr. ALLARD: We now have a suggestion which ties in with those we have just made but which affects the Radio Act. Subsection (2) of section 2 of the Radio Act now reads this way:

Notwithstanding anything in the Interpretation Act, or any other statute or law the provisions of this act shall be deemed to apply and to have full force and effect according to their terms in the case of all

radio stations and private receiving stations or radio apparatus owned or operated by or on behalf of Her Majesty in the right of any province but nothing herein contained is intended to impose or to declare the imposition of any tax upon or to make render or declare liable to taxation any property belonging to Her Majesty in the right of any province.

We recommend that this be amended to read:

"Notwithstanding anything in the Interpretation Act or any other statute or law, the provisions of this Act shall be deemed to apply and to have full force and effect according to their terms in the case of all radio stations and private receiving stations or radio apparatus owned or operated by or on behalf of Her Majesty in the right of Canada, or in the right of any Province" etc.

This is to make it clear that an electronic emanation of Her Majesty in the right of Canada is also covered by the provisions of the Broadcasting Act.

Mr. PICKERSGILL: Or the Radio Act.

Mr. ALLARD: And the Radio Act.

The CHAIRMAN: Are there any further recommendations you would like to make on the act?

Mr. BROWN: No. These are our only proposed changes in the act.

The CHAIRMAN: In that case we have completed the interpretation part with the C.A.B. We will not be meeting tomorrow morning at 9.30. A motion to adjourn would be acceptable.

Mr. SMITH (*Calgary South*): Before we adjourn I think we should thank our witnesses for appearing before us.

Mr. PICKERSGILL: And say that we are looking forward to seeing them again, because they are more competent than most people.

Mr. BROWN: I would like to thank you, Mr. Chairman, and the committee for being most kind to us. We hope we have been able to give you as explicit answers as possible. Sometimes not having the opportunity to discuss these things in advance it is difficult to give the answers you might want. Thank you.

—The committee adjourned.



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

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THURSDAY, MARCH 2, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, and Mr. A. H. M. Laidlaw, General Counsel, of the Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY

OTTAWA, 1961

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield,

*Vice-Chairman:* Mr. Laurier Regnier,

and Messrs.

Aitken, Miss	Fortin	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Bourbonnais	Macdonnell	Richard ( <i>Ottawa East</i> )
Caron	MacEwan	Robichaud
Casselman, Mrs.	McCleave	Rouleau
Chown	McGrath	Simpson
Creaghan	McIntosh	Smith ( <i>Calgary South</i> )
Danforth	McQuillan	Smith ( <i>Simcoe North</i> )
Fisher	Mitchell	Tremblay
Forgie	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

ORDER OF REFERENCE

WEDNESDAY, March 1, 1961.

*Ordered*,—That the name of Mr. Regnier be substituted for that of Mr. Grenier on the Special Committee on Broadcasting.

Attest.

LEON-J. RAYMOND,  
*Clerk of the House.*





## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, March 2, 1961.

(7)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Allmark, Baldwin, Caron, Chown, Creaghan, Danforth, Fairfield, Fisher, Keays, Lambert, Macdonnell, MacEwan, McCleave, McGrath, McIntosh, Mitchell, Morissette, Pratt, Pugh, Regnier, Richard (*Ottawa East*), Rouleau, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Webb.—(28).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President—Corporate Affairs; Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry MacDonald, Executive Assistant.

As the proceedings commenced the Chairman informed the Committee that he had received, in writing, the resignation of Mr. Louis Fortin, as Vice-Chairman; hence, he invited nominations to fill the vacancy thus created.

Whereupon Mr. McIntosh proposed, seconded by Mr. Morissette, that Mr. Laurier Regnier be named Vice-Chairman.

On motion of Mr. Simpson, seconded by Mr. Chown, nominations closed.

And the question having been put on the proposal of Mr. McIntosh, it was carried unanimously.

The Chairman then introduced the officials of the Canadian Broadcasting Corporation in attendance.

Mr. Alphonse Ouimet, at the invitation of the Chairman, addressed the Committee outlining briefly the main comments and proposals contained in the brief submitted by the Corporation.

During the examination of Mr. Ouimet, a distribution was made of the report by the Joint Committee on Wired Systems, dated February 16, 1961, about which many questions had been directed to the witness.

Mr. Pratt suggested that the names of those composing the said Joint Committee be given and the Chairman undertook to obtain this information if available for a subsequent meeting.

The Committee then proceeded to a section-by-section review of the Broadcasting Act, 1958, with Mr. Ouimet, assisted by Mr. Laidlaw, under questioning.

And the examination of Mr. Ouimet still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m., on motion of Mr. Lambert, the Committee adjourned to meet again on such date as the Subcommittee on Agenda and Procedure may, with the approval of the Committee, determine.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

THURSDAY, March 2, 1961.  
9.30 a.m.

The CHAIRMAN: Gentlemen, I see we have a quorum. I should inform you, first of all, that I have received a letter, addressed to me, and which has caused me considerable regret. I think you will understand this, when I read its contents to you. It is dated at Ottawa March 1, 1961, and it reads as follows:

My dear colleague:

I wish to express my gratitude to the members of the Committee who have favoured my election as Vice-Chairman.

However, I regret to inform you that personal and business reasons are forcing me to resign as Vice-Chairman of the Broadcasting Committee.

Trusting that you will inform the members of the committee at its next sitting. I remain,

Yours very truly,  
(Signed) Louis Fortin M. P.  
Montmagny-L'Islet

This creates a vacancy in so far as the committee's administration is concerned, and it also creates a vacancy in the steering subcommittee. Therefore, I think our first order of business should be the nomination of a new vice chairman.

Mr. McINTOSH: I wish to nominate Mr. Regnier.

Mr. MORISSETTE: I wish to second that.

Mr. SIMPSON: I move that nominations now close.

Mr. CHOWN: I second that.

The CHAIRMAN: Will those in favour, please put up their hands? Then it is agreed unanimously that Mr. Regnier be the vice chairman and he will automatically be on the steering subcommittee.

Before I introduce the witnesses I hope that we shall be able to have a subcommittee meeting following our hearing today. As you know, we adopted and carried through a plan, which has worked out very well, of going through the acts, the two parts, clause by clause with the B.B.G. and C.A.B. Our next plan was to call the C.B.C. and, as we have not yet completed the examination of the B.B.G., they will be recalled after we have finished with C.B.C. on the act and please, if possible, on the act alone.

Today we have with us the president of the C.B.C., whom you all know, Mr. Alphonse Ouimet, who is sitting on my immediate right. Next to him is Captain W. E. S. Briggs, the vice president, and behind we have Mr. Hugh Laidlaw, counsel, Mr. Ron C. Fraser, vice president of corporate affairs, and Mr. Barry MacDonald, the executive assistant to Mr. Ouimet. I think I shall ask Mr. Ouimet if he has any short statement to make before we deal with the act.

Mr. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): I have no memorandum to put to the committee at this time, but we did present our submission to you in December and it might be useful if I were to summarize, very briefly, the highlights of it.

The CHAIRMAN: If it deals only with the act.

Mr. OUMET: Yes, I shall comment only on part 1 of the submission, dealing with the act. It is still too early to offer any final judgment on the working of the act or, at least, on the final character of the new arrangement. The last two years have mainly been transitional ones. This period of transition is not yet complete and the permanent character of Canadian broadcasting is still being shaped. As an interim report, though, I am very pleased to be able to state that the first stages of what might have been a rather delicate operation—that is the transfer of regulatory powers from the C.B.C. to the B.B.G.—have been conducted most successfully and smoothly. A good deal has been accomplished already since the advent of the new legislation, and the new relationship between the B.B.G. and C.B.C. has been marked by a spirit of good will and co-operation which has been very comforting to the C.B.C. and also, I think, augurs very well for the future.

In addition to the formal liaison between the B.B.G. and the C.B.C. there has been much informal contact and discussion which has helped to increase mutual understanding and, what is equally important, has helped to delineate clearly the respective roles of the two agencies.

It is our view that the continued success of the present system in Canadian broadcasting depends to a large extent on maintaining this clear line of demarcation between the regulation and the operation side of broadcasting and also, of course, on the continuation of the understanding which has already been achieved.

All in all, the corporation is very pleased with the progress that has already been made. Aside from these general considerations, the corporation has made a number of recommendations to your committee regarding changes in the wording of the act. Most of these recommendations are minor in nature but there are three that will be of particular interest to the committee.

The first one has to do with the definition of broadcasting, and you have already had some discussion on the possibility of enlarging the definition of broadcasting to include community antenna television services and also wired television services.

Our second main recommendation is that the number of the directors of the corporation—which is now eleven—should be enlarged to thirteen; that is, a president, a vice president and eleven other directors. We suggest this in order to allow greater flexibility of geographical representation and more adequate representation of the French language. Finally, the corporation has suggested that the act be amended by the addition of a clause to the following effect:

The Chairman of the board of directors shall be elected by and chosen from the directors at the annual meeting of the corporation and his duties shall be as defined by the board.

This, Mr. Chairman, is a brief summary of our submission to you.

The CHAIRMAN: If the committee will look at the act we will proceed with part I, headed the Board of Broadcast Governors.

On section 2, interpretation.

The CHAIRMAN: Are there any questions on section 2?

Mr. FISHER: This is in respect of "broadcasting", subsection 2 (b). Would you state as fully as you can why it is that the C.B.C. joins with the C.A.B. in wishing to have these wired systems brought in under the definition of broadcasting.

Mr. OUMET: Before answering the question of Mr. Fisher it would be helpful to me to know whether or not the report of, I think the B.B.G. or the committee on wired systems, has been made available.



The CHAIRMAN: It is not available yet.

Mr. OUMET: Our position simply is this. The end effect of other television systems which are called wired systems or community antenna systems is, to all intents and purposes, the same as that of television broadcasting, although the means are slightly different; there is a minor technical difference. As the end is the same, I think it would be in the national interest to have the same controls over the two kinds of system.

Mr. FISHER: The C.A.B., as I interpret it, argued the same way, but insisted that it was not interested in seeing any expansion of the regulations or in seeing these particular systems regulated in any way. Do you feel the same way? You want them under the definition. You would not like to see them regulated in any degree.

Mr. OUMET: I believe the question of regulation will come up at a particular stage in the development of these systems. At the moment they represent only a small percentage of the total number of homes served by television; I think it is something in the order of five per cent. I believe a case can be made for leaving these systems, for the moment, without any regulation; but you never know when those systems might really develop and become a source of difficulty for the achievement of the national purposes in broadcasting.

Mr. FISHER: Let us get away from national purpose and get down to what to me seems to be a more obvious motive so far as broadcasters are concerned, and that is the competitive threat of the wired system. How is it affecting you now? How is it likely to affect you in any of the objectives you are trying to carry out, including commercial revenue?

Mr. MACDONNELL: Are we considering this matter without having a report from the wired systems? If so, are we not at a disadvantage in considering this without their views?

The CHAIRMAN: We have not got the report as yet. It has not been passed on by the minister.

Mr. OUMET: As a matter of fact, Mr. Chairman, I think I should say that the submission of this report by the Board of Broadcast Governors, or by the committee set up by the Board of Broadcast Governors, on which we were represented, did modify to a certain extent our original position. I have seen the report because we were a member of the committee which prepared it. I think it is an excellent report. Frankly, I believe it would be useful for you to have it before you before we discuss it.

Mr. FISHER: Everybody has seen the report except us. Mr. Pickersgill raised this in the house and we have had an assurance from the minister. I do not know whether or not other members are in the same position I am, but I have had more representations about these wired systems than anything else.

Mr. SMITH (*Calgary South*): I would like to support Mr. Fisher to this extent. The witness has made a statement on the report. While we do not have the report I think the questions are in order. If the witness in any way wishes to amend the position he has taken in the statement, without making reference to the report. I think he is entitled to do so. I see no objection to examining him on the statement we have before us.

The CHAIRMAN: This will pose a problem. I think there are questions which members wish to ask, report or no report, on this subject. I think they should be heard.

Mr. RICHARD (*Ottawa East*): There might be some technical questions.



The CHAIRMAN: I am sorry, Mr. Richard; there are about six ahead of you. Are you finished, Mr. Fisher?

Mr. FISHER: No. I would like to know what are the competitive effects of the wired systems, especially the community antenna systems; I am not thinking of the telemeter type of thing where it might be in existence, but rather the community antenna system.

Mr. OUIMET: I think the distinction you make between the community antenna system and telemeter or pay TV, as it is called, is very well taken. To answer your question in a general way I would say that the effect to date has been very small; it may have been negligible.

Mr. FISHER: I have one last question. In certain areas of Canada with an ordinary antenna persons can bring in United States programs. From your knowledge of these community antenna systems in more distant parts of the country, do you agree this is what most of them will do, that is bring in United States programs.

Mr. OUIMET: I do not remember just what the percentage is, but there are quite a number of such systems which do bring in United States programs; I do not know whether it is more than half of them, or less.

Mr. FISHER: You have no objection to the fact that people in parts of Canada close to the United States can tune into United States stations just because the United States station is on the dial.

Mr. OUIMET: Certainly not.

Mr. FISHER: Do you apply the same attitude to these community antenna systems which can bring in United States channels?

Mr. OUIMET: In certain cases, as a matter of fact, United States stations are the only stations that can be brought in. In those cases this is the only television Canadians can get. There certainly has never been in our mind any thought that this should be prohibited in any way. In other cases, where a community antenna simply amplifies what already is available on the air and makes it available over a cable, I think there is no difficulty. On the other hand, when such systems begin to originate their own programming and mix it up with some of the material which is picked off the air, then it is a new kind of operation which I think might offer some difficulties in the future if it develops much further.

Mr. FISHER: You feel that a distinction can be made between the two types, a fairly clear and sharp distinction between the community antenna system which picks up something coming from the air and amplifies it, and the one which originates something new.

Mr. OUIMET: I think so.

Mr. BALDWIN: I have a question which has to do with another subsection. I think it might make for a more orderly examination if I forego my question until later.

Mr. SMITH (*Simcoe North*): With relation to defining broadcasting, would you make any distinction between a community antenna system that picks up an already broadcast signal and a system which only used entirely wire or wire and microwave? From a philosophical point of view how do you justify, assuming you do make a differentiation, the regulation of a system which does not use the media of the airwaves as any part of its broadcasting.

Mr. OUIMET: You put two questions.

Mr. BALDWIN: Yes.

Mr. OUIMET: The first one is whether we make a distinction between the two kinds; the community antenna television systems and the wired television

systems, as they are called, in the definition of broadcasting. I would say myself that in the definition this distinction is not necessary. However, in the application of regulations, whenever the time comes to do that, obviously the two kinds should have different regulations because they do not present the same problem.

To answer your second question as to how we justify applying a broadcast regulation to a system which is self-contained and does not use the air, I think that you have pointed out there the real legislative difficulties. On the other hand, we must remember that you could achieve exactly the same effect as broadcasting by using cables covering large areas as, for example, in the cities of Montreal or Toronto, where practically every home could be wired by cable, and by serving to the public exactly the same kind of programming as broadcasting does, technically as well as in program content. So, if there is any national purpose in broadcasting generally it seems hard to conceive that it would not apply to such cases as well as to broadcasting, because one can be a substitute for the other. However, from a legal standpoint,—

Mr. SMITH (*Simcoe North*): It is from the point of view of principle.

Mr. OUIMET: —I agree it bristles with difficulties.

Mr. SMITH (*Simcoe North*): Has there been no attempt to regulate these organizations—and I think the term used is Muzak—who do wire broadcasting to plants, restaurants, and so on.

Mr. OUIMET: No; I do not think any attempt has been made to regulate them. The matter was considered when the system was developed and it was clear at the time that it would not amount to very much in terms of total population covered. As a matter of fact, as you have said, they become very specialized and cater to restaurants and hotels.

Mr. SMITH (*Calgary South*): Mr. Ouimet, I would like to read from section (b):

“broadcasting” means the dissemination of any form of radioelectric communication, including radiotelegraph,—

and so on. It is noted here that both the C.B.C. and the C.A.B. have asked to have this section amended. I am wondering, sir, if there is perhaps a perfectly logical answer for those of us who have not produced even a crystal set, and if you could tell us why, in your view, the wording “dissemination of any form of radioelectric communication” does not cover community antennae and all the others?

Mr. OUIMET: I am not looking at it from a legal, but from a technical standpoint.

Mr. SMITH (*Calgary South*): Well, we would be pleased to have your reply from a technical standpoint.

Mr. OUIMET: I think the word “dissemination” covers the distribution to a very large population. But, the restrictive words are

“by means of hertzian waves”,

which you will find on the fifth line.

Mr. SMITH (*Calgary South*): I do not want to argue it with you, but I would point out that it goes on to include a variety of other descriptions. But, surely in the first paragraph, broadcasting means the dissemination of any form of radioelectric communication. Does this not cover the broad field in itself?

Some hon. MEMBERS: No, no.

Mr. SMITH (*Calgary South*): If it does not, I wish the witness would explain why.

Mr. OUMET: Perhaps we always have taken it wrongly to mean that this was the dissemination of any pictures, writing, signs, signals and sounds of all kinds by means of hertzian waves. I am not sure, whether the kind of wave which is used in cable transmission is technically according to the original definition of hertzian wave. However, it is a very fine technical point and I imagine you might have some technicians disagree on this.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I have a supplementary to Mr. Smith's question. Is a microwave considered to be a hertzian wave?

Mr. OUMET: It is certainly a hertzian wave.

Mr. PRATT: Are there not hertzian waves given off within a certain radius of these cables which would permit a signal being picked up?

Mr. OUMET: Yes, at a very short radius.

Mr. PRATT: Well, I admit we are splitting hairs.

Mr. OUMET: Actually, it is a technicality. When this was written, hertzian waves were the words used, but at that time nobody thought that television could be carried out just as well in certain circumstances by not using them.

Mr. PRATT: The controlling word and the one, perhaps, which is least understood, is the word "wireless", is it not?

Mr. OUMET: Perhaps—the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of hertzian waves.

Mr. SIMPSON: I was always of the opinion that the deciding word in there was the word "public". It was explained to me this way: that where anybody received this type of program directly out of the air, with no cable system, it was considered to be public reception, but if you had to have it cabled into your house and pay for that cable, then it was not available to the public. I understand that is the reason some of these systems are allowed variations in political broadcasting. Is there any merit in that?

Mr. OUMET: At this point I think we really are entering the legal field of definitions, and it might be useful if I asked our counsel to give his opinion on it.

Mr. A. H. M. LAIDLAW (*General Counsel, Canadian Broadcasting Corporation*): I think, as Mr. Oumet has said, that the point is the qualifying words "by means of hertzian waves". Necessarily, this must be the case, because the privy council decided parliament had jurisdiction on the ground that, it was wireless transmissions and, therefore, stretched beyond the borders of the provinces, and the Radio Act and the Broadcasting Act would have to square, in the definition of broadcasting, with this decision.

Mr. BALDWIN: On this point, is it not a fact that this stems from the original time that this issue was first given to the supreme court and, ultimately, went to privy council. The question of whether the provincial or federal government had jurisdiction was gone into, and this definition rather comes from that, because it went to the privy council.

Mr. OUMET: You are quite right.

The CHAIRMAN: Have you a question, Mr. McIntosh?

Mr. MCINTOSH: Mr. Smith actually asked my question; however, I would like to pursue it a little further. I understood Mr. Oumet to say that there are two types: the type that is picked up from the air and the type that originates from a program in a studio and is sent out over natural or wired television. Is there not a third type, being a combination of the two?

Mr. OUMET: Yes.



Mr. McINTOSH: How do you distinguish between a cabled transmission or a wired transmission and, say, an ordinary cinema where they produce a program on the screen? The only difference in my mind is that you have the screen in your own home rather than in one building where everyone goes to see it.

Mr. OUMET: There is an important difference. In one case, you can have the whole population of Toronto or Montreal looking at this television presentation at the same time; the cinema is, by nature, a very restricted process in terms of audience. In the case of wired television systems it is conceivable that you could have very, very large cities served practically exclusively by such systems.

Mr. McINTOSH: I do not see your distinction there. If I had this wired system in my home and did not wish to look at it, I would turn to something else. The same thing applies if there was a picture at the cinema; if I did not want to see it, I would not go. As far as I am concerned, it is a matter of choice. They could see what they wished at any theatre or, by turning a dial on their television set, they could turn to another station.

Mr. OUMET: Can you not say the same thing about television programs generally? They can watch whatever they wish?

Mr. McINTOSH: If you have a choice, yes, but in some areas you have no choice.

Mr. OUMET: But, you could have a choice between cabled systems also. I do not think this is a fundamental difference. I think the fundamental difference is in the means that you use to bring the picture through. I think that is where the fundamental difference is.

I can conceive of either system being used to serve a particular area. Now, obviously, what we call broadcasting, according to this definition, is a better system to serve areas where the population is widely dispersed and where it would be difficult to connect all the homes by cables. However, in areas where the population is very much concentrated, the economics of cabled television could be such that it might be as good or better a way of providing the television service.

Mr. PUGH: Are you stating a preference?

Mr. OUMET: No.

Mr. McINTOSH: Might I carry my question a little further? In the programming of the C.B.C., have you any idea that at some time you may be able to service these remote areas, that is, these areas which are not getting television right now and which require this cable service?

Mr. OUMET: We have no definite plans to that effect. Generally speaking, I do not conceive that we would be using it on a large scale. On the other hand, I would not bar out the possibility that in certain areas it might be a more economic proposition to do it on that basis.

At the moment we are providing programs to Whitehorse, which has a community antenna system.

At first our policy was to refuse—I am sorry Whitehorse has a wired system rather than a community antenna system—because there are no stations which can be picked up in that area.

Mr. McINTOSH: So you are providing a wired system now?

Mr. OUMET: No; we are not providing a wired system, but we are providing the programs to that system so that they may present those programs to their viewers, because they could not afford to do it in any other way. Frankly, I would be at a loss to tell you whether or not a mixture of such systems may take place to serve really isolated communities. There may be.

Mr. PUGH: Who owns this system you were talking about, I mean the wired system in Whitehorse?

Mr. OUIMET: It is owned by a Whitehorse firm, but I do not remember the exact name of the company.

Mr. PUGH: They, in effect, buy services from you?

Mr. OUIMET: Yes, we give it to them at cost.

Mr. RICHARD (*Ottawa East*): Bearing in mind the original principles of the Broadcasting Act, and that broadcasting powers were given because of a decision that the federal government had control over the air, have you obtained any legal opinion that the federal government have any power to regulate the control of broadcasting through cables on the ground? After all, the Bell Telephone does broadcast sound, and other phone lines.

Originally broadcasting, as you said before, meant broadcast through the air. There is no doubt about that. But what opinion have you got that the federal government can control the broadcast of sound or pictures on the ground?

Mr. OUIMET: We have not secured legal opinion—at least, official legal opinion, let us say, from the Department of Justice—that this could be done. But it is our preliminary opinion, that if such a cable system should cross the boundaries of provinces, or should cross the international boundary, it might then be subject to federal legislation.

Mr. RICHARD (*Ottawa East*): You do see great difficulty in a local area, or in a provincial system?

Mr. OUIMET: We have not really applied ourselves too greatly to the study of this problem. We mention in our recommendation that if it is legislatively possible, the definition should be enlarged to include these systems. But we have left it to others, whose responsibility it is to determine the constitutional aspects of this problem, to decide whether it could or could not be done. All we say is if it could be done, it might become an essential thing to do for the future, if such systems develop much further.

Mr. RICHARD (*Ottawa East*): Would you expect to control the Bell Telephone and the Canadian Pacific Telegraph in this, too?

Mr. OUIMET: They are not the same.

Mr. RICHARD (*Ottawa East*): One of them broadcasts sound.

Mr. OUIMET: No, they only supply the means. They do not themselves reach each individual viewer in his home.

Mr. SIMPSON: Mr. Ouimet mentioned that they were supplying some programs to this particular wired system. Might I ask if this system legally can pick up the C.B.C. signal and use it for their programs?

Mr. OUIMET: In that case it would be a community antennae system, and if they had acquired a licence from the Department of Transport, then they could legally pick up these programs, and we would welcome this being done.

I should point out in connection with this that originally we refused to feed any of these systems on the ground that they were not broadcasting according to this definition, and that therefore the corporation was not in a position to spend any money to provide them with service—because we did have a lot of requests from them.

It was after considerable thought that we decided that in the case of really isolated communities that could not get television through any other way, we would make some of our programs available.

There are problems also of copyright and jurisdiction involved; but we decided we would make such programs available as long as the wired system would pay us at least our out-of-pocket expenses. We still feel that since it is not broadcasting according to this definition, we cannot give it to them free.



Mr. McCLEAVE: I was going to ask Mr. Laidlaw about the constitutional question, but Mr. Ouimet has said that they have not obtained a legal opinion on it.

Mr. SMITH (*Simcoe North*): I take it your main reason for suggesting a redefinition of broadcasting and with the possibility of bringing in community antennae systems is having regard to the dilution of the Canadian content of our television system.

Would it not follow that the main purpose of controlling community television would be to control those which are close enough to the border to pick up signals from American stations?

Mr. OUIMET: I think that our views on this are of a more general nature. We are simply saying that there are two technical means of reaching large segments of the public with television. You can do this by broadcasting it over the air, and having people pick it up through antennae with a certain type of set.

Or you can do it in another way, and that is to bring the signals to your house through cables, to feed exactly the same receivers, and to have exactly the same picture at the end. So that from the standpoint of economics, which might be more favourable to one system than to another, depending upon geography and concentration of population, these two technical means, which are different, still achieve exactly the same end. And as long as they achieve exactly the same end, it would seem that they present the same problem of controlling these means of providing television in the national interest.

Now, as long as wired television systems do not develop any more than, let us say, five per cent of the total television picture, the problem is not a serious one. But if you could imagine the whole city of Montreal or the whole city of Toronto being served in that way, then I think that, even though there might be legislative difficulties, it would be in the interests of the public for parliament to have a look at it; and that is what we are suggesting.

Mr. SMITH (*Simcoe North*): On the last page of the community antennae's brief, their final sentence reads:

The community antennae is simply a technical extension of the holder's television aerial.

Have you any comments to make on that?

Mr. OUIMET: I believe that this is correct, as long as this is what the community antenna system does. But you may have a community antenna system which sometimes is mixed with a wired system, where they originate, or where they may even import programs.

There is a recent case where a company advertised in one of the Montreal papers that they were going to carry the championship boxing fight over the community antennae cable. In this case you have a mixed operation which is certainly not according to this definition.

Mr. SIMPSON: Getting back to the possibility of extending or broadening the world of broadcasting, I understood Mr. Ouimet to say he felt that if this was broadened so as to bring in these community systems, that possibly it might not be necessary to regulate for a while, or at this time.

I wonder if this word, or the meaning of this word was broadened and they were brought in, would they not automatically then come under the whole act?

Mr. OUIMET: I believe they would come under the whole act; but I think that the regulations could be written in such a way that they would not apply to certain types of stations, or to certain types of broadcasting.

Mr. PRATT: Does Mr. Ouimet not think that the end is roughly the same, even though the medium of transmission may differ? And would he not also



include programs transmitted by means of film, or by means of television tape which might be sent through the mails and reproduced by another means of reproduction, such as a projector or a television projector, or a film projector in the home?

Mr. OUIMET: I imagine in such a case these films would be sent by express demand of the subscriber. I do not think that this is the same thing in the case of wired television on a subscription basis, where you get all the programs.

By the way, there is a distinct difference of course in the practical application of the two systems. We cannot conceive that the mailing of tape would be a substitute for ordinary television. But we certainly can conceive that a wired system might be a substitute for television.

Mr. PRATT: Are you suggesting that a television tape would not be a substitute for a television program?

Mr. OUIMET: Of course it could be; but actually the economics of it would be so disadvantageous that nobody would want it.

Mr. PRATT: I am not speaking about economics. I am speaking about different means, or different media of transmission bringing the end result into this picture. The end result, you admit, is the same, but the media are different.

Mr. OUIMET: Our position comprises two elements: the first is that the end is the same, but the means are different. Now, in saying that the ends are the same, we are saying that you can achieve mass communication either through broadcasting or through a wired system. I do not believe that you could achieve mass communication through a system of mailing tapes or films. I think it would be so costly that it could not be done.

Mr. PRATT: This would bring the economics factor into it. It is not just a difference of medium; there is also a difference in the economics that make a difference in the story.

Mr. OUIMET: There might be different economics as between various systems, and these would determine which kind of system you will carry; but if the economics are different, the programs will be different. But if both appeal to the mass audience, then they will tend to carry the same kind of programming.

Mr. PRATT: My question does change your original premise, that it is a difference in the media.

Mr. OUIMET: I would say so, to a certain extent.

Mr. CARON: When we are discussing the definition of broadcasting, Mr. Ouimet, may I ask if the C.B.C. has thought about bringing in a replacement of that broadcast definition which would better suit the idea which you have just put forward?

Mr. OUIMET: We have not attempted to go further than to point out that there were potential problems there, and that it should be watched very carefully by parliament. We have not attempted to do the work of the Department of Justice.

Mr. CARON: There is nothing to prevent your submitting some alternative definition. I do not mean that it should be accepted, but you do have experts in the matter, and you have more knowledge of the matter than anybody else, even those in the Department of Justice.

Mr. OUIMET: I believe we have a good knowledge of what is involved from the technical standpoint, and of what is involved in terms of a national objective of broadcasting, and of wired systems; but we have very little knowledge of what is involved from the constitutional standpoint.

We know very well that we are touching here on questions about prerogatives, the respective prerogatives of the provinces, of the federal government, and so on, and we have not attempted to deal with that.

Mr. CARON: Do you think it would be helpful for the Department of Justice to have your views on the matter clearly expressed before they decide on a definition?

Mr. OUMET: We should be very pleased to help them.

Mr. CARON: But you have not attempted to do that up to now?

Mr. OUMET: No.

Mr. FISHER: I take it that Mr. Ouimet will agree that there are two ways by which you can get revenue, and I mean two ways you are permitted to get revenue at the present time; one is by commercial advertising on a standard basis, and the other is by a charge.

In pay television, it is a fact that the consumer, let us say, pays or chooses to pay to select something. Now, what effect does that have, in your mind, upon the question of regulations? I think there is a distinction between the two.

Mr. OUMET: I think there is this difference—but I do not think it should change in any way the nature or extent of the national objective in broadcasting. But as long as pay television represents only a small percentage of the total television viewing, I imagine that it does not have an appreciable effect on this objective.

But if it did represent, let us say, 50 per cent of the viewing public, I think it is a factor which would have to be taken into account when administering broadcasting generally.

Mr. MCINTOSH: Do you foresee a time when it might reach 50 per cent?

Mr. OUMET: We simply do not know. My personal opinion at the moment is that I do not believe it is likely to go to that in the next few years, although some are hopeful; some who promote paid television are hopeful that at some time it will be a predominating factor.

Mr. MACDONNELL: But at the present time you have no seer?

Mr. OUMET: Not for the moment, but situations sometimes change rapidly in television.

Mr. FISHER: Aside from broadcasting or transmission, anyone who has money in his pocket is entitled to go out and make a purchase. I suggest that paid television is something where Canadians are free to make their choice, just as they are free to decide on what publication or periodical they wish to buy, although it was fairly well-established that when the royal commission issues its report, there may be some changes which would make American publications more costly. But no one is denying a Canadian the right to buy an American publication or any other foreign publication. I am just wondering if there is not a very marked distinction, not only between the community antenna services and the pay services but also between the pay services and the normal kind of broadcasting we are used to in radio and television, even in community services, in that in one the subscriber makes a definite choice to part with his money. I wonder whether this does not raise the question that this is something which should not be regulated.

Mr. OUMET: I believe all the points you have raised, Mr. Fisher, are very valid. But, on the other hand, I do not think they change the essence of the problem which is this: Suppose that in a city, let us say Toronto, you had half the homes with subscription television and the other half with ordinary television, then I could well conceive that for that half with subscription television there would be no opportunity to view the other kind of television unless



the subscription television people made sure to make that available also. You can have many kinds of pay television and some of them will offer a type of receiver which will receive ordinary T.V. broadcasts; but you can also have another service where the receiver would not receive ordinary broadcasts, in which case you could see one displacing the other.

Mr. FISHER: And in either case, that of the mixture or the straight closed circuit, you feel there should be regulations? You feel there should be inclusion and automatically, perhaps, regulation?

Mr. OUIMET: Perhaps I can sum it up in this way. We started by making a recommendation, which is contained in the submission to the committee, to the effect that if it were legislatively possible the definition of broadcasting should be broadened so as to include these services. Since that time the B.B.G. has set up a committee, of which we were part, and this committee has made a recommendation. Its recommendation was that this was an important matter, and that it was one which should be watched very closely by the B.B.G. so that it might be in a position to report to parliament as quickly as possible if circumstances warranted it. We would be satisfied with this position, that is, with a watching brief over it.

Mr. FISHER: I have one last question and it is completely out of this context. In the relationship that has developed between C.B.C. and Whitehorse, did any government department or agency play any role in bringing you together to provide this service?

Mr. OUIMET: I do not believe so. I shall check that with some of my staff here.

The CHAIRMAN: May I interrupt? I have just received this report and it is now free to be distributed to the committee members. I think this subject has been pretty well milked, without the report, and it might be better to come back to it after we have read the report. Is that agreed?

Mr. CHOWN: Yes.

Mr. BALDWIN: I should like to ask a question which Mr. Ouimet may not want to answer at the moment. Bearing in mind that reference to the Supreme Court was made as far back as 1934 or 1935, and that the Radio Act, passed in 1938, defines broadcasting precisely in the same terms as the Broadcasting Act, does he not think this might be an appropriate time to refer the matter again to the Supreme Court to see to what extent the definition covers such things as antenna television services and community television services?

The CHAIRMAN: Mr. Webb, did you wish to ask a question?

Mr. WEBB: I was just wondering, since the manufacture of television antennae and components is one of the largest and fastest growing industries we have in Canada today and, taking into consideration the unemployment situation, what effect would this cable system have on the economics of our country. It is nice to have all these kinds of things but I wonder what effect they have on the unemployment situation.

Mr. OUIMET: Frankly, I do not believe the servicing of small segments of the population through community antenna services or wired television services would have any appreciable adverse economic effect, as compared to serving these same people in standard fashion. As a matter of fact, generally speaking, such services have involved subscriptions—yearly subscriptions and annual payments of the order of, say, \$75 for the year and maybe \$4 a month—and I think they have contributed as much to the economy as ordinary broadcasting has, though I have not really studied the problem thoroughly.



Mr. WEBB: I just cannot go along with that because I know that almost every little village and town have their own service crews who have no other work except repairing television antennae and, after a good storm, there is a boom in business for them. I really think this is going to affect a lot of people, including the technicians and labourers working in this industry, and the manufacturers of component parts.

Mr. RICHARD (*Ottawa East*): Are we not going to wait until we have read the brief before carrying on with questions of this nature?

The CHAIRMAN: Mr. Macdonnell has a supplementary question.

Mr. McINTOSH: I have a supplementary to Mr. Fisher's question.

Mr. OUIMET: May I complete my answer in reference to Whitehorse? One of the members of the committee asked did we decide to supply this service on the suggestion of some agency of the government.

Mr. FISHER: Or any liaison.

Mr. OUIMET: I am told this was between the C.B.C. and Whitehorse only.

Mr. McINTOSH: May I ask a supplementary to that? I think Mr. Ouimet said he did not know the agency which made an agreement with the C.B.C. but does he know was there any charge made by the C.B.C. for the service?

Mr. OUIMET: Yes, we are charging for that service. We are charging our out-of-pocket expenses.

Mr. McINTOSH: But did you not say previously that, in the past, you felt it was against the act to do such a thing? What made you change your mind?

Mr. OUIMET: At first we were asked to provide this service free and we thought it would be against the intent of the act and wondered, even if it were not free, whether we should provide it if it were not really broadcasting according to the definition. But, looking at the practical aspects of the problem and seeing there were important segments of the population in isolated areas who could not get any national service in any other way, it seemed to us it was the right thing to do, to make the service available and to charge our out-of-pocket expenses. In doing that I think we are acting in accordance with the intent of the act.

The CHAIRMAN: I think we are having a lot of difficulty here. We are getting away from the actual matter before the committee and going into questions which will probably be asked again. Would committee members confine themselves to questions on the definition of broadcasting?

Mr. LAMBERT: May I offer a suggestion? As you indicated, Mr. Chairman, there have been a great many questions around the subject. The committee did not have the report from the committee on wired systems, which has now been distributed, and perhaps it would be to our advantage to study that report over the weekend and then resume this line of questioning.

Mr. MACDONNELL: May I make one comment in relation to Mr. Caron's question? If I understood Mr. Caron's question correctly, he had a desire that Mr. Ouimet should give a lead and I took him to say he hoped the C.B.C. would get together with the Department of Justice. It seems to me that these two bodies are waiting for each other to make the first move. This discussion could go on forever.

The CHAIRMAN: I think if you read this report you will find that has been taken care of already. If there are no other questions we can move ahead and come back to this at a later stage.

Mr. PRATT: Could we have this anonymous document identified? The title merely says "report of the committee on wired systems", and so far I cannot find any clue in the document as to the membership of the committee.

The CHAIRMAN: I think you will find it in the evidence given by the B.B.G. in its first report to the committee. Maybe you should read that report, Mr. Pratt.

Mr. PRATT: I shall do that, Mr. Chairman.

The CHAIRMAN: Shall we hold this over and go on? Mr. Baldwin had a question.

Mr. BALDWIN: I have a question to put on section 2, paragraphs (d) and (e) but, in view of the satisfactory type of relationship which exists now between the B.B.G. and the C.B.C. my question may only invite a comment which may be purely academic. These paragraphs deal with the definition of "licence" and "licensee", and my question is apropos of a discussion which Dr. Stewart had with us. Do the C.B.C. feel that it is only a person within the meaning of the Radio Act who must apply for a licence and that, by virtue of their being an agent of the crown, do they think that exempts them from having to apply for a licence?

Mr. OUMET: May I say that we had taken it for granted we had to apply to the Department of Transport and that it would then pass on our application to the B.B.G. It was only when the matter was raised by the committee and when I read the testimony of Dr. Stewart and his counsel that I realized perhaps there was a loophole.

Mr. FISHER: Mr. Oumet, you are not trying to take advantage of that loophole?

Mr. OUMET: We did not try to take advantage of it in the past and have no intention of taking advantage of it in the future. I do not know if our counsel had time to consider this matter but, if he has had, he may be able to add something to what I have said.

Mr. SMITH (*Calgary South*): There is no inference that after your counsel has had an opportunity to examine it you might take advantage of it?

Mr. OUMET: No. We know what the intention of the act was.

Mr. LAMBERT: In relation to the opinion expressed by counsel for the B.B.G., it is rather interesting to compare it with the comment in the report of the B.B.G. at page 2, the top of the paragraph, which reads:

The relation between the Board of Broadcast Governors and the corporation are those of a regulatory body to an operating licensee. The regulations of the board which apply to the private licensees apply equally to the corporation.

I have not yet asked for a reconciliation of the views but I shall.

The CHAIRMAN: Are there any other questions?

Mr. FISHER: I am assuming, from some of the things Dr. Stewart told us last year and this year, that the B.B.G. is playing a part in encouraging the extension of service to those parts of Canada which are not now served. In 'nis regard I wonder has the B.B.G. made any suggestions to you in connection with the licensing factor, suggesting that you should apply for licences for these areas?

Mr. OUMET: The way this has worked out in practice is that we have discussions regarding the plans of the corporation for extension of coverage and we have told the B.B.G. of all our plans. We have no intention of keeping the B.B.G. in the dark in any way. They know what we have in mind and, because they are dealing with the private sector of broadcasting, they also

know the plans of the private sector. Generally it has been our policy with respect to coverage not to expend public money in areas which could be served by a private station, where the commercial possibilities were good enough to attract a private application. Therefore, it is a continuing process where the C.B.C. and the B.B.G. discuss such matters in a general way and, in connection with certain specific areas, we tell them what we have in mind and they may tell us that they do not know of anyone else interested in them, or they may tell us they know there might be some applications for licences covering those areas. I think it is a question of consultation among all the parties concerned in order to arrive at the best possible solution.

Mr. FISHER: Is there not a unique difference between your relationship with the B.B.G. and that of any prospective private licensee?

Mr. OUIMET: Yes, there is in other respects than licences. Of course, we have a mandate from parliament to do certain things.

Mr. FISHER: Have any of your applications for licences been turned down by the B.B.G.?

Mr. OUIMET: Yes.

Mr. FISHER: Which?

Mr. OUIMET: Pembroke was one.

Mr. PRATT: Mr. Chairman, if you missed the clerk I should like to point out that he has gone to find out the item I asked for a few minutes ago.

The CHAIRMAN: It is on page 11.

Mr. CHOWN: Perhaps Mr. Ouimet would be good enough to bring information to the next meeting as to what applications made by the C.B.C. were turned down by the B.B.G., and also those that have been accepted and approved by the B.B.G.

Mr. OUIMET: We shall certainly do that.

The CHAIRMAN: Are there any further questions on section 2? I understand we are holding over this item—section 2 (1) (b). Are there any questions on section 3—board established?

Mr. FISHER: I have no question on 3.

The CHAIRMAN: Section 4; section 5; section 6; no questions on section 7: staff.

Mr. FISHER: I just want to know and to get a complete assurance. You say that the transition was smooth; also Dr. Stewart told us that a certain number of people were shifted from the C.B.C. to B.B.G. In this process of shifting, were there any people who lost their jobs because of a desire of the B.B.G. not to take them?

Mr. OUIMET: You must remember that when the C.B.C. was charged with regulatory responsibilities the staff work was done in a department or in a division which was called our broadcast regulations and station relations division. So that our staff did two jobs: they looked after the regulations and they also looked after relations with stations generally. It was possible to reassign duties so that actually people did not lose any jobs, although I think there were four or five that came with the B.B.G. finally, and some of the others were transferred to other groups, and others continued to do their station relations jobs. It was a small group, by the way.

Mr. SMITH (*Calgary South*): Mr. Chairman, I just ask the same question that I put to C.A.B., that in view of the relationship of the board to the C.B.C., you consider the staff is adequate in so far as it is related to it?

Mr. OUIMET: I have not really studied the set-up at all. I can, however, express an opinion. It certainly does not seem to me that they are overstaffed.



Mr. SMITH (*Calgary South*): They have an important function in broadcasting, of which you are part. I merely ask you, in dealing with the legislative authority they have over C.B.C., if it appears to have been more than adequate or adequate.

Mr. OUMET: I believe it has been adequate.

The CHAIRMAN: Any other questions on section 7?

Section 8; section 9, any questions? These are purely administrative.

Section 10: objects and purposes.

Mr. SMITH (*Calgary South*): I might ask for some comments on section 10.

The CHAIRMAN: Are there any comments you would like to make on section 10?

Mr. OUMET: This is such a broad subject that I could talk at quite some length on it, but I am wondering whether you have something specific in mind?

Mr. SMITH (*Calgary South*): Have you any objections to section 10? Let us take it with reference to the Canadian content.

Mr. OUMET: Not at all; I think the section is an excellent one and it has already proved its usefulness many times.

Mr. FISHER: We have had some complaint or suggestion that this 55 per cent may be very hard to achieve because of lack of talent. Has your organization any views on this lack of talent that private broadcasters seem to have found?

Mr. OUMET: Of course the position of the corporation is different to that of private stations in that respect. But even allowing for that difference, I do not frankly think anybody can say that there is a lack of talent. I think that there is a considerable amount of talent which is waiting to be developed; at least this is our experience.

Mr. FISHER: Could I ask you for an opinion? We have in a sense two cultural groups in Canada, the French and English. Do you notice whether it is relatively easier to get talent of a good standard in the French community in comparison to the English community?

Mr. OUMET: Apart from the difference in temperament of the two racial groups—about which I do not think I need to talk very much—I do not think really that there is any difference in the potential talent available. But there is one big difference, and that is that in French Canada, because there cannot be any American importation of French language in television or in radio, of necessity the private stations have had to encourage local talent; while in English-speaking Canada I do not think it has been done to the same extent. I think the reason for this difference does not lie in the difference in the potentiality of the two groups as far as talent is concerned, but purely because of the difference in practical exigencies of the situation.

Mr. FISHER: In other words, let us say the small population factor in the French group in Canada has not inhibited talent and it is coming to the fore.

Mr. OUMET: Not at all. In television when you think that after eight years we are producing more live programs on the French network of the C.B.C. than any organization in the world with 5 million people, I do not think the problem is a serious one.

Mr. FISHER: It seems a very effective answer to the argument that we have no talent. I was wondering whether you could give us any estimate of the other factor that was brought up as a reason for the inability of the private broadcasters to put on Canadian talent, and that is emigration to the United States or to England. How large a factor is that in your experience of the English network?

Mr. McCLEAVE: Now that you have lost Joyce Davidson.

Mr. OUIMET: Of course the loss of a staff generally is the price we have to pay for developing stars. This is just a proof that Canadian television has come of age and that we have good talent that is worthy of the international stage. As we get better and better, I am afraid we will lose more and more, but then we will attract more of the others who will want to come to Canada to do their jobs. Although at times this presents serious practical problems to us, I do not consider it as a bad development. On the contrary, I think it is an excellent one.

Mr. FISHER: One last question. In the tremendous development that is taking place right now in private television, have you found it a tremendous drain on your own resources in both the artistic and technical side of your organization, that it was being used as a sort of reservoir for these other stations?

Mr. OUIMET: I think there I have to make a distinction between staff and talent. We have lost a considerable number of our trained specialists, as we have expected to. I imagine that there would be at least more than a hundred that have left us. We have not tabulated it because, while we may have lost six from Vancouver and twenty from Montreal and it has represented a serious drain, at least temporarily and locally, it has not affected the over-all ability of the corporation to provide its service. In that respect it has been somewhat difficult, because when you have trained men and you lose them in quantity, you have the problem of training others. That is expensive and it takes time. As far as talent is concerned, I have not checked recently but nothing whatsoever has come to my attention yet. I do not know what this means.

Mr. CHOWN: Have you learned, in the loss of this technical help, that the new private stations—eight or ten of which are opening or have opened up across the country—are offering highly competitive salaries to induce people to give up the security they had in your corporation vis-à-vis pensions, and so on?

Mr. OUIMET: Yes, we have found that their offers are more than highly competitive. The difference in the remuneration offered to our specialists and what we may pay is very considerable. That is the only reason they left.

Mr. CHOWN: They left a backlog of security, in a sense, a dollar value in terms of their retirement, and so on; but apparently those outside offers were still so attractive coupled with the new pension plans, and so on, that they were lured away. However, I wanted to ask one other question. The Canadian Association of Broadcasters in their submission suggested the change in the section we are discussing of the words "Canadian talent" to "Canadian production", in order to accommodate—

The CHAIRMAN: This is on section 11?

Mr. SMITH (*Calgary South*): I wonder if I might ask a question. You have stated that in your view there is plenty of talent in Canada. Some of your viewers might perhaps have some disagreement on what in their opinion is talent and what is talent in the view of the C.B.C. You have heard the charge levelled against the corporation repeatedly that you are continuing to use the same people. Many of your productions use the same people, which would suggest that perhaps really you have not got all the talent available in Canada, as you suggest. This was supported by the evidence of the C.A.B. last week. I am wondering if, on reflection, you really think there is all the good available talent that you indicate to us. Secondly, I would ask you this question. We have had an indication of what the C.A.B. have done to develop talent. I am wondering if, in other than producing shows, the corporation have been active in improving the degree of talent.

The CHAIRMAN: Well, Mr. Smith, I wonder if this is not getting away from the purpose of this meeting and getting into an area which will be in the field of general examination.

Mr. SMITH (*Calgary South*): Mr. Chairman, I could not agree with you more, except that I want to challenge the statement of the witness that there is a great deal of talent in Canada.

Mr. OUMET: I still say there is plenty of talent.

Mr. SMITH (*Calgary South*): Our difference is in the point of view, as to what is good and what is indifferent talent.

Mr. OUMET: It may be a matter of definition.

Mr. SMITH (*Simcoe North*): Of taste or quality.

The CHAIRMAN: In this good mood we will entertain a motion to adjourn before we get into a fight.

—The committee adjourned.



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

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TUESDAY, MARCH 7, 1961.

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WITNESS:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY

OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield,

*Vice-Chairman:* Mr. Laurier Regnier,  
and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forge

Fortin  
Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell

Morissette  
Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## ORDER OF REFERENCE

MONDAY, March 6, 1961.

*Ordered,*—That the name of Mr. Horner (*Acadia*) be substituted for that of Mr. Smith (*Calgary South*) on the Special Committee on Broadcasting.

Attest

LÉON-J. RAYMOND  
*Clerk of the House.*

## CORRECTIONS

Page 100, last paragraph.

*Question by Mr. Pratt should read:*

Does the witness agree that if a sufficient quantity of Canadian talent is available, Canadian quality must inevitably follow, presuming that Canadian art has any national identity.

Page 101, fifth paragraph down.

*Question by Mr. Pratt should read:*

Would that suggest, Mr. Chairman, that we must reduce the hours of broadcasting in keeping with the amount of talent in the country, rather than stretch it too far.

Page 108, penultimate paragraph.

*Question by Mr. Pratt should read:*

Of us too!

Page 124, 7th paragraph down.

*It should read:*

"Mr. Pickersgill: Yes, I am not referring to the 48-hour rule;" and in the 9th paragraph, the third line thereof *should read*: "that is that paid political advertising should be prohibited, . . ."

Page 141, second paragraph.

*It should read:*

". . . Mr. Varcoe, the former Deputy-Minister of Justice."

Page 144, penultimate interjection accredited to Mr. Pickersgill should simply read:

"And say that we are looking forward to seeing them again". *The additional words should be omitted.*

Page 162, 7th paragraph:

Substitute name of Mr. Smith (*Calgary South*) to that of Mr. Fisher.





## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

Tuesday, March 7th, 1961

(8)

The Special Committee on Broadcasting met at 10.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Chown, Danforth, Fairfield, Fisher, Fortin, Horner (*Acadia*), Keays, Lambert, Macdonnell (*Greenwood*), MacEwan, McGrath, Mitchell, Morissette, Pickersgill, Pratt, Pugh, Regnier, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Tremblay, Webb—(25).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President—Corporate Affairs; Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry MacDonald, Executive Assistant.

As the proceedings opened the Chairman read a letter from the Canadian Association of Broadcasters, concerning (a) A Broadcasting Code of Ethics and (b) List showing those member stations who accepted to adhere to the said Code of Ethics; he then read a letter from the Board of Broadcast Governors, concerning the composition of the personnel of the Joint Committee on Wired Systems, as requested from the Committee, on March 2nd, by Mr. Pratt. (*See pages 162 and 171 of the Evidence*).

The Chairman also informed the Committee that over the week-end, copies of the Radio Act and the Regulations as amended made thereunder, had been distributed to each member.

A return concerning competitive applications by C.B.C. for Broadcasting licenses, was also filed and later commented upon by Mr. Ouimet for the Canadian Broadcasting Corporation, in answer to a question asked on March 2nd, 1961, by Mr. Chown. (*See page 163 of the Evidence and appendix "B" hereto*).

Corrections to the printed report of Proceedings were made by Messrs. Pickersgill, Pratt and Fisher. (*See Corrections, page 167*).

The Committee resumed from Thursday, March 2nd, the section-by-section review of the Broadcasting Act, 1958, with Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, again under questioning.

And the examination of Mr. Ouimet still continuing, it was adjourned to the next sitting.

The Chairman, having underlined the fact that not enough copies of "A Broadcasting Code of Ethics", etc., filed earlier, were not available for general distribution, asked the Committee's feeling on the advisability of the printing of these documents into the record.

Whereupon,

On motion of Mr. Lambert, seconded by Mr. Fisher,

*Resolved*,—That the documents entitled (a) A Broadcast Code of Ethics and (b) List of member stations adhering thereto, be appended to today's

Minutes of Proceedings and Evidence as Appendix "A"(i); and (ii); also, that the return filed by the Canadian Broadcasting Corporation, concerning recommendations of B.B.G. on application by C.B.C. for broadcasting licenses, be similarly appended as Appendix "B".

The Chairman confirmed the recommendation of the Subcommittee on Agenda and Procedure, advance notice of which had been given to the members, to the effect that the Committee meet on Tuesdays from 10.00 o'clock a.m. to 12.00 o'clock noon instead of, as originally planned, on Mondays from 11.00 o'clock a.m. to 1.00 o'clock p.m., and this was unanimously agreed to.

At 12.00 o'clock noon, on motion of Mr. Chown, the Committee adjourned to meet again at 9.30 o'clock a.m. Thursday, March 9th, 1961.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

TUESDAY, March 7, 1961.  
10 a.m.

The CHAIRMAN: Good morning, gentlemen. I think we have a quorum.

Today I have received some 25 copies of the broadcasting code of ethics which were promised to us by the C.A.B., plus 25 copies of the member broadcasting stations of the Canadian Association of Broadcasters who have accepted adherence to this code of ethics. Perhaps I should read a letter from the C.A.B. which is addressed to myself, from the executive vice president, Mr. T. J. Allard. It goes on to say:

Pursuant to a commitment given by us to your committee I attach herewith 25 copies of the code of ethics approved earlier this year by member stations of the Canadian Association of Broadcasters for such members indicating formal adherence to it.

Attached also are 25 copies of a list showing those member stations who have as of this date provided us with formal adherence to this code of ethics. Certain other member stations have indicated an intent to adhere and we have reason to believe that the formal application is on its way to us.

We can distribute these copies to the members of the committee and I do not think there are any questions which will arise, certainly in so far as the C.B.C. are concerned.

We also have this morning an answer to a question of Mr. Pratt's, which I unfortunately misinterpreted, concerning the members of the committee which drew up the report on wired systems. Members were: Mr. R. C. Fraser, vice-president, corporate affairs, from the Canadian Broadcasting Corporation; Mr. T. J. Allard, executive vice-president of the Canadian association of broadcasters; Mr. F. G. Nixon, director, telecommunications and electronics branch of the Department of Transport; Mr. W. Caton, controller, regulations division, also from the Department of Transport; and Mr. R. R. Macgillivray, assistant counsel, Department of Transport. The Board of Broadcast Governors were represented by Dr. Andrew Stewart, chairman; Mr. Carlyle Allison, vice-chairman, and Mr. Bernard Goulet, a full-time member, who only attended the meeting held on January 17, as his appointment did not become effective until January 1, 1961.

I think you have all received copies of the Radio Act and regulations, which were produced through the Minister of Transport with the kind co-operation of Mr. F. G. Nixon, director of the Telecommunications and Electronics branch of the Department of Transport. I believe copies of these were put in your rooms and I understand additional copies in French have also been provided.

In answer to a question put by Mr. Chown, concerning competitive applications and recommendations of the B.B.G. on applications by the C.B.C. for broadcasting licences, we have copies of a table which will be distributed and I understand that the president of the C.B.C., Mr. Ouimet, would like to make a few comments on it.

Mr. PICKERSGILL: Before Mr. Ouimet speaks may I have permission to point out three mistakes in the record of meeting number five. I was not able to attend the last meeting of the committee and point them out at that time.

At page 124, about 10 or 12 lines down, I am quoted as saying: "Yes. I am referring to the 48 hour rule". What I said was: "Yes. I am not referring to the 48 hour rule". In the next interjection I made, in reply to Mr. Jamieson who asked: "Does Mr. Pickersgill mean content or character," I am reported as saying: "that political advertising should be prohibited." What I said was that paid political advertising should be prohibited; I did not say "political broadcasting", as such. Then, on page 141, the third line should read: Mr. Varcoe, the former deputy minister of justice. And on page 144, the last line of my final interjection, as reported, reads: "And say that we are looking forward to seeing them again, because they are more competent than most people." I do not know what I may have said but I did not say that. I do think they are very competent people but I did not want to make any invidious comparisons. If that could be straightened out it would save a lot of trouble.

Mr. PRATT: May I also make some corrections in the record? On page 100, in the last paragraph, I am reported to have said: "Does the witness agree that if a sufficient quantity of Canadian talent is available, Canadian quality must inevitably fall, presuming that Canadian art has any national identity"? What I actually said was: "Does the witness agree that if a sufficient quantity of Canadian talent is available, Canadian quality must inevitably follow, presuming that Canadian art has any national identity". Again, on page 101, in the middle of the page, I am reported to have said: "Would that suggest, Mr. Chairman, that we must, rather, regulate them to uses in broadcasting in keeping with the amount of talent in the country, rather than stretch it too far?" What I actually said was: "Would that suggest, Mr. Chairman, that we must reduce the hours of broadcasting in keeping with the amount of talent in the country, rather than stretch it too far?" Then, on page 108, at the bottom of the page, I am reported to have asked: "How about us, too?" What I actually said was: "Of us too."

Mr. FISHER: I am credited with an interjection on page 162 as follows: "Mr. Ouimet, you are not trying to take advantage of that loophole?" I think Mr. Smith made that interjection. Certainly, I did not.

Mr. SMITH (*Simcoe North*): Which Mr. Smith?

Mr. PICKERSGILL: We have two.

Mr. FISHER: I think it was Mr. "United Nations" Smith.

The CHAIRMAN: If all corrections have been made I wonder would Mr. Ouimet care to go ahead with his remarks concerning the table which has been distributed to members?

Mr. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, at the last meeting Mr. Chown asked that the corporation put forward a list of applications which we had made to the B.B.G., showing how many had been approved and how many had been turned down. This is the information that has been distributed and it consists of two lists. I take it that it is being distributed now.

The CHAIRMAN: It has gone around.

Mr. CHOWN: I am just getting my copy.

Mr. OUIMET: We have separated the television applications from the radio applications; those dealing with television are shown on the first page and the radio ones on the second page. In the case of television applications we have made a further division between competitive applications and unopposed applications. Actually, there were only two applications which were competitive, that is where the C.B.C. was competing with a private applicant for the same licence. That took place on two occasions, in respect of a licence for Edmonton and another for Pembroke. We received a favourable recommendation for Edmonton and we were turned down on Pembroke. In regard to



the rest of the television applications, which were unopposed—that is, there were no other applicants—we received approval for all of them and, on the second page, in the case of radio, the same applies. These were unopposed applications. There were no other applicants; they were mostly for low-power relay transmitters and we received favourable recommendations for all of them.

The CHAIRMAN: Is that information satisfactory? Are there any questions?

Mr. LAMBERT: Mr. Chairman, with all due respect, how does this come under sections 10 and 11 of the act? Are we not breaking our continuity here? If we go into this we shall be going into an entirely extraneous field.

The CHAIRMAN: I think this should come under section 12, which we shall reach shortly.

Mr. LAMBERT: Have we abandoned section 2?

The CHAIRMAN: I was about to say we would return to that right after Mr. Ouimet's statement. I think we shall postpone any questions on his statement until we come to section 12. We held over section 2 subsection (b), until members had the opportunity of studying this report of the committee on wired systems.

Mr. PICKERSGILL: What subsection?

The CHAIRMAN: Subsection (b)—broadcasting definition. Are there any questions arising out of this report?

Mr. BALDWIN: Through the chair, Mr. Ouimet, do I understand your interpretation of this report would be that there is no problem as yet, making it necessary that these wired systems should be brought in under the regulations?

Mr. OUIMET: That is correct. It is our view that the wired television systems and community antenna systems have not yet developed to the stage where urgent action is needed.

Mr. BALDWIN: May I ask, do you anticipate that they will grow and come to the stage where they will present a problem?

Mr. OUIMET: This is an area in which it is very difficult to make predictions. They may well grow to a point where parliament should have another look at the whole question, and that is why there is a recommendation in the committee's report that the B.B.G. keep a continuing watching brief over the development of such systems so that they may be ready to advise the Minister of Transport, should action be necessary.

Mr. BALDWIN: This may be a hypothetical question but the reason I ask it is that there seems to be a divergence of opinion between what is expressed in this report and the brief of the C.A.T.V. people as to the legal position. The C.A.T.V. brief, as I read it, suggests that there may not be any right residing in the federal government to legislate in respect of these systems whereas this report, as I understand it, seems to place its opinion on a matter of law and suggests that there is that right to regulate. Whereas, as I read his report, the opinion today seems to be that, in a matter of law, there is that right.

Mr. OUIMET: I believe I touched on this the last time I appeared before this committee. As I remember it this report says that in certain cases there is no doubt there now is legal ground, or constitutional ground, for taking action if necessary in certain types of community antenna and wired systems; further, in the case of wired systems which cross boundaries of provinces or the international boundary there seems to be legal ground for action, if action is warranted. I believe, however, the report also recognizes that the whole question bristles with possible legal difficulties.

Mr. BALDWIN: That is why I brought up the question at the last meeting, and did not ask for an answer at that time as to whether or not this is a point



which might be resolved before we come to the question of necessity. Should we not first find out if the legal right does reside in the federal government before coming to the stage of wanting to impose regulations.

Mr. OUMET: This is a matter on which I have no personal views.

Mr. LAMBERT: In this connection would you feel perhaps there might be sufficiently rapid development of these wired systems whereby parliament would be faced with a "fait accompli" in the development in a certain direction, would find it extremely difficult then to act, and would find its hands tied.

Mr. OUMET: I believe this is the real danger. This is why we brought it up and took the stand that is explained in our original submission to the committee. Things in television have a habit of moving fairly fast. A situation which may seem to be quite safe at one time may change rapidly into something which may actually create quite a problem. Of course, if such systems were allowed to develop to a much greater extent than they are developing now then, as Mr. Lambert says, you would be faced with a "fait accompli" with which in effect it would be quite difficult to deal. This is why we have directed the whole question to the attention of this committee.

The C.B.C. now is satisfied that the recommendations of the wired systems committee, which you have before you, is a reasonable and competent approach to the problem. I must stress again, however, that this report recommends there be a continuous watching brief on the part of the B.B.G. so that action may be taken if it becomes necessary.

Mr. PUGH: You mentioned a watching brief. I would like to follow along the lines of the questioning of Mr. Baldwin and the suggestion made last time that this be taken to a court and a decision made on it. Has there been any suggestion on your part that some sort of test case be made, or are you suggesting that a test case be made.

Mr. OUMET: I do not believe I made the suggestion that this be brought to a court to test the whole area; but somebody else did.

Mr. PUGH: Mr. Baldwin did.

Mr. OUMET: There are a number of ways this could be done. I, myself, believe a simpler way would be for parliament or the government to obtain an opinion from the Department of Justice. There certainly is another way, and that is to have a test case. I would think a test case would take many months.

Mr. PUGH: Mr. Baldwin suggested that reference be made to a higher court.

Mr. OUMET: We are getting into a legal procedure with which I am not too familiar. I do not think I am particularly competent to suggest to you know you should proceed in that direction.

Mr. PICKERSGILL: I am wondering really whether this is a proper line of questioning to submit to the C.B.C. at all. Surely the proper advisers to parliament and the government on a question of this character would be, not the C.B.C. but the B.B.G. This involves the whole concept of broadcasting and whether or not this kind of thing is a part of broadcasting. Whatever views the C.B.C. might have on this, parliament decided that the B.B.G. should be its adviser in this broad field.

Mr. FISHER: I think this is a point of order Mr. Pickersgill brought up. I am confused by the nature of this report. We are told these people took part in the committee. I would disagree with Mr. Pickersgill if this is considered by the C.B.C. as representing their views.

Mr. OUMET: It does represent our views. I believe the C.B.C. is very much concerned with such developments, which may have an effect on its

ability to carry out its mandate. Of course, we are only too ready to answer any questions you may have in respect of it.

Mr. BALDWIN: On the point of order, the reason I brought it up was that the B.B.G. already had indicated they thought there should be this power which apparently is embodied in this report. The brief of the C.A.B., however, takes exception to this. They say that they doubt legally if the federal government has this right. There is divided opinion on this. I brought this up so that if at a later date the federal government feels it is necessary to deal with it they would know at that time where the power resides.

The CHAIRMAN: I understand that; but I also understand Mr. Pickersgill's point. If he will forgive the remark, I do not think Mr. Ouimet is competent to make a decision in this matter or give other than his opinions, which he has given.

Mr. OUMET: I agree with you. We are competent only to give our opinions. On the other hand we were part of a committee at which it was agreed, with the B.B.G. and other members of the committee, that we would be able to express our opinions on this. That is what the wired TV group has done.

The CHAIRMAN: Are there any further questions on this?

Mr. PUGH: A few minutes ago you did say that in fulfilling your destiny as the C.B.C. you felt the extension of wired sound might prove a bar.

Mr. OUMET: That is correct.

Mr. FISHER: Have you considered moving into paid TV yourselves?

Mr. OUMET: Yes; we have given considerable thought to pay TV at various times, particularly at the time of the royal commission on broadcasting in 1955. We gave a report to the royal commission on pay TV at that time. But, up to this point, because of the very nature of pay TV, it would appear to be incompatible with the broad aims and objectives of the corporation. I wish it was not, because it might be a way of solving some of our financial problems.

Mr. FISHER: Let me take a case which occurred several years ago. Mr. Bushnell was before us and when he was giving evidence he referred to a program by the name of Peter Grimes, and referred to it as a turkey, as I remember it. It was a fairly expensive program, and was attracted by a limited audience. Does not paid TV allow for the possibility of turning out productions for a limited audience?

Mr. OUMET: In connection with your question, Mr. Fisher, perhaps it was Mr. Bushnell's opinion that it was a turkey.

Mr. MCGRATH: On a point of order, Mr. Chairman. It was not Mr. Bushnell who referred to Peter Grimes as a turkey; it was I.

Mr. FISHER: But, I think it is safe to say that Mr. Bushnell agreed completely.

Mr. MCGRATH: No, it is not fair to say that.

The CHAIRMAN: Gentlemen, I think we are getting away from the subject matter.

Mr. FISHER: Is there any possibility of the C.B.C. producing or selling any of this video tape to paid TV? Is it not true that you could in almost every big program you make?

Mr. OUMET: There is always the possibility that such a development might come about. However, I should point out to you that already pay TV people have said that they are not interested in putting on their system anything which already has been shown on free TV. Furthermore, I think I should point out to you that pay TV does not seem to be the kind of medium that will favour minority taste. By its very nature I think it will appeal to the mass audience.



Mr. SMITH (*Simcoe North*): Surely paid TV is not the answer to programs that have a small appeal or a limited appeal. There is a small group of people in each community across Canada who want to see these programs with limited appeal, and to show that program to the 4,000 people in Etobicoke, or whatever community has paid TV, is no answer.

Mr. OUIMET: I agree with your position.

Mr. FISHER: The only reason I brought it up was that there was the assumption of a break-through, and it might see hundreds of thousands of homes with paid TV.

The CHAIRMAN: Are there any further questions on this? I think we have departed from the direct examination of the act. After all, what we are trying to do is to decide whether the word "broadcasting" should include, in this act, paid TV.

Are there any further questions under section 2, subsection (b)?

I do not think we have finished with section 10—objects and purposes. Were there any further questions on section 10?

Mr. PICKERSGILL: Mr. Chairman, I wonder if the opinion of the C.B.C. was asked in connection with the suggestion made by the C.A.B. that there should be a change in the wording of this section?

The CHAIRMAN: Would you repeat your question, Mr. Pickersgill?

Mr. PICKERSGILL: I believe we had a suggestion from C.A.B. that there should be some change in the wording of this section in order to make the objects and purposes a little more specific. I do not know whether or not Mr. Ouimet or any of his advisers have considered this recommendation, or have any views on this. If I am opening up a subject that was dealt with at the last meeting, when I was not here, I would be glad to be called to order.

Mr. BALDWIN: Does that concern talent and production?

Mr. OUIMET: That was mentioned.

The CHAIRMAN: It was brought up. However, Mr. Ouimet says that he will answer your question.

Mr. OUIMET: The C.B.C. is not suggesting any changes in section 10, and does not believe that any changes are warranted at this time.

The CHAIRMAN: Are there any further questions on section 10? Then section 11—Regulations.

Mr. PICKERSGILL: Mr. Chairman, is it proposed that we take section 11 part by part, as we have done with the other witnesses?

The CHAIRMAN: I was wondering if Mr. Ouimet had any general remarks to make at this time.

Mr. OUIMET: No. We are not recommending any changes in section 11.

The CHAIRMAN: Are there any questions on subsection (a) of section 11? If not, are there any questions on subsection (b)—Standards of Programs.

Mr. PICKERSGILL: Mr. Chairman, could I ask if the witnesses have any views about that?

Mr. OUIMET: No, not generally. Of course, it is difficult to devise regulations for this. But, because it is difficult does not mean that there should be no attempt to do it.

Mr. PICKERSGILL: I have a supplementary question which I would like to put to Mr. Ouimet. Have any regulations been made by the B.B.G. which have had any effect upon the practices of the C.B.C. with respect to standards of programs?

Mr. OUIMET: I do not believe so. The B.B.G. and the C.B.C. have the same objects and purposes, and we have been following these standards and regulations ourselves—even before they were promulgated here.



Mr. McGRATH: Mr. Chairman, could I revert to subsection (a)?

The CHAIRMAN: You have a question on subsection (a)?

Mr. McGRATH: Yes.

The CHAIRMAN: Proceed.

Mr. McGRATH: Does subsection (a) cover the mandatory minimum of network programming that an independent affiliate must take.

Mr. OUMET: Yes.

Mr. McGRATH: Then, my question arising out of that is this: has there been any consideration given to either increasing or decreasing the minimum hours per week that an affiliate must take from the network in areas where there are second channels?

Mr. OUMET: This section provides for the making of regulations in respect to the minimum broadcasting times to be reserved for network programs, but there have not been any regulations made to date under this subsection.

Mr. McGRATH: Perhaps I do not understand you. I construe, from your answer, that this section covered the requirements the corporation lays down—that its affiliates take a minimum of so many hours per week, if they are to remain affiliates of the corporation.

Mr. OUMET: This section provides for the regulating of that amount. However, the B.B.G. has not done so as yet. In the meantime, of course, the C.B.C. is carrying on, on the basis of the agreements which it has negotiated with its affiliates over the years since 1952. Of course, we have a certain minimum time that we do stipulate in the agreements, but it is not following a regulation of the B.B.G. This is something which was decided between the C.B.C. and its affiliates.

Mr. FISHER: Have you ever tabled a copy of the agreements that you have with a private affiliate? If not, do you consider it possible to table a copy of the agreement?

The CHAIRMAN: Are you asking if there is a standard?

Mr. FISHER: Yes, for all stations.

Mr. OUMET: We have a standard agreement which is used for some sixty or seventy stations. It already has been submitted to the B.B.G. for their approval. I do not think there would be any problem in making copies available.

Mr. FISHER: In connection with the next subsection, I would like to ask you this question: You have referred to the national mandate a number of times and we all have our own conception of what this means. However, it seems to me that you picked up another mandate two years ago—to get more commercial revenue; and I take it from your brief you have attempted to do this. I would like to know what effect that has had upon your standard of programming.

Mr. LAMBERT: With the greatest of respect, Mr. Chairman, how does that come in under the regulations of the B.B.G.? We are discussing the section of the act dealing with the powers of the B.B.G.

Mr. McGRATH: As they apply to the C.B.C.

The CHAIRMAN: To what part of this section are you referring, Mr. Fisher? Is it advertising

Mr. FISHER: Well, is it Mr. Lambert's feeling that this should be left and that it be gone into at the appropriate time?

Mr. LAMBERT: Yes.

The CHAIRMAN: Have you a question, Mr. Horner?

Mr. HORNER (*Acadia*): Mr. Ouimet, you have stated that the views of the C.B.C. coincide with those of the B.B.G. on the standard of programs. Could you give us any further information as to what this standard of programs that they both agree on is?

Mr. OUIMET: Here, again, Mr. Chairman, if I may say so this is a very broad question, and I think it should be discussed at the time that we tackle the whole question of programming, and when we have our program people here. As I say, this is a very, very broad question. However, I am in the hands of the committee.

Mr. HORNER (*Acadia*): Would you be able to give us an outline as to what you try to follow?

Mr. OUIMET: The standard of programming?

Mr. HORNER (*Acadia*): Yes.

Mr. OUIMET: Well, I would have to take each field in turn.

Mr. PICKERSGILL: On the point of order that Mr. Lambert already has raised, Mr. Chairman, all we can properly ask questions about at this time—if we ever are going to get through this act—is: Are there any regulations that the B.B.G. may have made which affect the C.B.C.?

The CHAIRMAN: That is true.

Mr. PICKERSGILL: And, if we are going into the programming of the C.B.C., that, certainly, at the very least, should come under part II of the act, and not part I.

The CHAIRMAN: Mr. Ouimet already has made the remark that they are quite satisfied with this section 11, and they had no suggestions to offer in so far as changes are concerned.

If the committee would try to hold to the type of examination which I have suggested, we probably could get further along, and much more rapidly.

If I may suggest, Mr. Horner, your query will be taken up later, as I think it is entirely too broad and pretty much out of order in so far as the examination of the act is concerned.

Have you a question, Mr. Pugh?

Mr. PUGH: Mr. Ouimet, do you register complaints against any other broadcasting company, or others coming under the regulations under section 11, as to standard of programming?

Mr. OUIMET: Are you asking if we register complaints with the B.B.G.?

Mr. PUGH: Yes.

Mr. OUIMET: No, that is up to the B.B.G.

Mr. PUGH: Well, let us say not formal complaints, but informal complaints.

Mr. OUIMET: No. It is none of our business any more.

Mr. PUGH: Have you any complaints against other broadcasting companies?

Mr. OUIMET: We do not think about their operations. As I said, it is completely outside of our province. There is another body now that has the responsibility to take care of such things, so we do not give it any thought.

The CHAIRMAN: Are there any further questions under section 11?

Mr. PICKERSGILL: Under subsection (c), Mr. Chairman, I would like to ask Mr. Ouimet if there are any regulations under this section made by the B.B.G. that have affected the C.B.C.'s operations in any way, since the B.B.G. was established?

Mr. OUIMET: The answer is no.

Mr. LAMBERT: With respect to section 11 (2), if I may go that far down the section—



Mr. PICKERSGILL: Mr. Chairman, I wonder if we could take them letter by letter?

The CHAIRMAN: Yes. Are there any further questions on subsection (c)? Are there any questions on subsection (d)? Then, subsection (e).

Mr. PICKERSGILL: I have a question here, Mr. Chairman.

The Canadian Association of Broadcasters suggested that the word "production" should be substituted for "talent" and, notwithstanding the fact that Mr. Ouimet has told us he has no suggestions, I wonder if he would make any comment on that suggested change in the wording of the section?

Mr. OUMET: Yes, I will be pleased to do so. Frankly, I do not see the merits of the suggestion. This clause simply says that the B.B.G. can make regulations for promoting and insuring the greater use of Canadian talent. I think this is a quite desirable purpose, and I do not see why it should be changed, or watered down in any way.

Mind you, I can well conceive of the B.B.G. also making regulations for the encouragement of greater use of Canadian productions, and they have, by the promulgation of the 45 per cent and the 55 per cent rule. However, I do not see that there is any need for a change there.

Mr. MACDONNELL: Mr. Chairman, I have a supplementary question on subsection (c), and it is merely to this effect: We were told that no change had been brought about by the action of the B.B.G. Is there on record anywhere a statement as to the advertising policy of the C.B.C.? Have we any information as to that? If not, should we have it?

Mr. OUMET: I do not know that we have anything on record certainly not before this committee. But, of course, we have placed our policies in this matter on record before other parliamentary committees and royal commissions and, when we come to commercial operations of the corporation we, of course, would be ready to bring before you anything which you might require in this respect.

The CHAIRMAN: Are there any further questions on subsection (e)? If not, subsection (f)? Then, subsection (g). Under subsection (h).

Mr. LAMBERT: Under (h). (h) is tied in with (2), and that is the point that was raised by the other committee members with Dr. Stewart of the B.B.G. It is to the effect that the wording of the section here would appear to limit the ability or the right of application, in connection with representations made at any hearing of the B.B.G., to either applicants or licensees, and that this might preclude the right of interested groups in the country from appearing.

Mr. OUMET: I believe that these remarks were made by the C.A.B. in connection with another clause; I do not remember exactly which one. However, I am quite ready to give the C.B.C. opinion at this moment. I am told that the clause was 12 (3) but I am ready to deal with it now, if you wish.

The CHAIRMAN: Shall we leave it until we get to section 12 (3), under hearings and licences?

Mr. LAMBERT: If you wish, I agree, but I wish to point out that the wording states: "shall afford licensees an opportunity of making representations to the board with respect thereto". That is in connection with changes and proposals for regulations, and the two are tied in. If it is the committee's wish to postpone this matter, then I agree.

Mr. OUMET: The position on that is that while the clause mentions licensees, it does not in any way prevent the B.B.G. from hearing others.

Mr. LAMBERT: No, but it does not give others a right.



Mr. OUIMET: May I ask our counsel about this? Yes, it does not give a right but, on the other hand, it does not prohibit or prevent. I am told it has been done.

Mr. LAMBERT: I agree Dr. Stewart has indicated that the B.B.G. permits others to make representation and has not placed any restrictions on them; but there may come a point when an occasion would arise that a person would demand the right to appear.

Mr. OUIMET: This does not give a right. It is still in the domain of the B.B.G. to decide whether or not it will give such privileges.

Mr. LAMBERT: I have a further question. In the opinion of the corporation should such a right exist?

Mr. OUIMET: No. I do not believe that the right should exist because it would, or could, create an impossible situation for the B.B.G. They would have to hear anyone who might want to speak about anything. I think it is up to the B.B.G. to answer you on this but, as far as we are concerned, it would seem that it would be a difficult position in which to put the B.B.G. It would be unwieldy.

Mr. BALDWIN: May I ask a supplementary question? Do you agree with what Dr. Stewart has said, that if anybody represents a sufficient segment of public opinion this normally should give them a right to appear at proceedings of the B.B.G. dealing with licences?

Mr. OUIMET: Yes, I would agree with the B.B.G. position on that.

Mr. MACDONNELL: Does the wording of subsection 3 not indicate a very definite limitation?

The CHAIRMAN: That is in section 12. I wonder, could you wait until we come to that.

Mr. FORTIN: Under subsection (e), Mr. Ouimet, I understand there are regulations made for the purpose of ensuring greater use of Canadian talent, and so forth. Do you not think regulations should also be made, at least in so far as the C.B.C. is concerned, to ensure greater use of Canadian personnel, such as technicians, producers and so on, and not only talent in the general sense of the word?

Mr. OUIMET: Frankly I do not know that a regulation is needed to ensure this, so far as the C.B.C. is concerned, because it has been our policy all along to develop our own Canadian staff. I remember that in 1952 we did not hire a single non-Canadian. We started from scratch to develop our own staff completely, and to train our own crews. You might call it a sort of fetish or religion not to do otherwise. Since then, of course, we have grown quite a bit and now that we have ensured the complete Canadian character of our organization we shall bring in anyone who is qualified and who resides in Canada.

Mr. PRATT: May I ask a supplementary question?

Mr. FORTIN: We have often heard from performers on the C.B.C. network that in Montreal the C.B.C. is ensuring that French people are imported all the time to take places away from Canadians. I heard that said last Sunday.

Mr. OUIMET: I believe I shall be able to deal with that through statistics, if you wish, in studying the use of talent—

Mr. FORTIN: I do not mean talent. I mean technicians, producers, and so on.

Mr. OUIMET: So far as our own staff are concerned, as distinct from free-lance talent, I have never heard this criticism of the corporation. I have heard it in connection with singers and stars we may be using; but, even there, I believe the criticism is completely unfounded.

Mr. FORTIN: We shall see the statistics.

Mr. PRATT: Mr. Ouimet has mentioned that in 1952 no outside American or British technicians were brought in in order to get C.B.C. television started, the idea being to encourage a purely Canadian approach to television broadcasting and production. I should like to ask Mr. Ouimet, does he consider that that delayed Canadian television to any extent, and also did it finally achieve the really Canadian national form of broadcasting, technically and from a program point of view?

Mr. OUIMET: To deal with the first part of your question, I would say it has not delayed us in any way in the development of television. I think it has helped because we started without any fixed ideas, whether American or, perhaps, British as to how it should be done. However, mind you, I do not want to make it appear that we did all this in a vacuum. We sent teams of people around to the established American networks and to England and France. I was a member of one of those teams and we tried to select the best ideas we could.

Mr. PRATT: I was in New York at that time and I should like to ask, is it not a fact that the Canadian brass went down to New York and spent one afternoon with C.B.S. and one afternoon with N.B.C., and that this was all the training they got in American methods; and then Mr. Rudy Bretz came here to give two lectures in Montreal and Toronto? Is that all the training our people had?

Mr. OUIMET: That is not correct. Perhaps at that time there may have been a visit of C.B.C. brass; but I was not C.B.C. brass then and neither were my colleagues. We were specialists studying techniques. There were several teams involved and there was a good deal of time devoted to it. I do not know how much time the management of the day devoted to it, but the operating people devoted a great deal of time to studying techniques.

Mr. PRATT: My question was not meant to detract from Mr. Ouimet's accomplishments, because I think it is admitted that Mr. Ouimet knows more about television broadcasting than anyone in Canada.

The CHAIRMAN: I think we are broadening the scope of this investigation by these questions. Have we finished with section 11? Then, on section 12—licences. Are there any questions on subsection (1)—applications for licences to be referred to board?

Mr. PICKERSGILL: I should like to ask Mr. Ouimet whether the C.B.C. feel it is bound, before establishing an outlet of any kind, to make an application to the B.B.G.?

Mr. OUIMET: Mr. Pickersgill, this question was asked at the last meeting and, as I said then, we felt bound, at least by the intent of the act—the spirit of the act if not by the letter. Until the matter was raised in this committee we never knew that there might possibly be a loophole though, perhaps, the loophole is not as big as it might appear and we have no intention of taking advantage of it.

Mr. PICKERSGILL: In other words, the committee has not put any bad ideas into your heads?

Mr. OUIMET: Not yet.

Mr. MCGRATH: I should preface my question by saying that under your terms of reference you have to operate within the ambit of a highly competitive field. Bearing all this in mind, what is your attitude with regard to opposing licences, to appearing before the B.B.G. to oppose a certain licence in a certain area? This may be hypothetical but are there any instances where you have opposed the granting of licences?

Mr. OUIMET: Yes, we have opposed the granting of a licence to another applicant in the case of Edmonton and in the case of Pembroke but, generally



speaking, we only oppose the granting of a licence when we feel it would be in the greater public interest for the C.B.C. to be operating in a particular area.

Mr. McGRATH: Perhaps I did not word my question properly—

Mr. FISHER: You have a formula for determining when you should go into a fringe area. I believe it is based on cost per household. Have you filed that with the B.B.G. on a permanent basis and, if you have, have you had any discussions with the B.B.G. about changes or alterations in it?

Mr. OUMET: Mr. Fisher, as I mentioned at the last meeting, we have had discussions with the B.B.G. regarding the formula we operate under in determining the order of priority for coverage. There is no legal requirement that we file such a formula and I would not call it the filing of a formula or a document. I should repeat that we have discussed this with the B.B.G. and they know about it. As a matter of fact, it is something that we have given in public several times. It is not a confidential matter.

Mr. FISHER: According to the table which you furnished us with this morning, none of these low power relay transmitters has been opposed; but have you ever had any indication that the C.A.B., for example, has views on your responsibility to apply for licences in certain areas that are not being covered?

Mr. OUMET: All of these areas, except Edmonton and Pembroke, were unopposed areas.

Mr. FISHER: Why were they unopposed?

Mr. OUMET: They were unopposed because no one else was interested in providing services in them. They were not commercially attractive.

Mr. FISHER: Is there any significance in the number of applications tabled here which deal with French areas? Do you find that there are very few private interests which are concerned to extend French broadcasting in both television and radio?

Mr. OUMET: All these areas, generally speaking, are non-profitable but, to answer your question more specifically, it has turned out that because of the lower population in some of these French communities the commercial problems of operating stations in them are greater than in larger centres.

Mr. FISHER: I just wanted to ask if later on, when we are looking at your position formally, that is, at the operation, if you could have with you some kind of information to indicate to us the per capita cost of both radio and television, French versus English, and of the coverage you get?

Mr. OUMET: I believe we can give you such an indication.

Mr. LAMBERT: Dealing generally with section 12, and the point raised previously about whether the C.B.C. was actually bound to apply under this section, perhaps, Mr. Oumet, when considering this section, might feel that section 12 was mandatory, whereas section 29, which gives the powers, is a permissive section. Might I ask what he thinks the effect of a mandatory section is upon a permissive one?

Mr. OUMET: I believe in the division of labour. Might I ask our legal counsel to answer that question?

Mr. LAMBERT: No, thank you. I was just making a suggestion.

Mr. SIMPSON: In relation to this list of station applications which we have in front of us, I see that two are opposed, and eleven are unopposed. On the basis of the two applications that were opposed, were they originally applications from the corporation which were opposed by others, or were they applications from private stations which were opposed by the corporations?

Mr. OUMET: In the case of Edmonton I can answer you immediately. The B.B.G. announced that it would hear applications for several cities at



that time, and they visited various parts of Canada to hold their hearings. They held a hearing in Edmonton to discuss the Edmonton applications. Our application was one of several applications which were heard at the same time, so we were all opposing one another. Therefore nobody, in this case, can be said to be in a position to oppose rather than to apply, because we all applied together.

Mr. SIMPSON: Has there been any instance where stations have applied for licences recently and where the C.B.C. have opposed them, or the corporation has opposed them?

Mr. OUMET: In the case of Pembroke, actually we applied first, and then when we heard that another applicant was interested, we agreed and recommended to the B.B.G. that our own application be deferred so that both could be heard at the same time. So, in that case we did apply first.

Mr. SIMPSON: I was meaning any other cases where the private applicants had made application to the B.B.G. for a station and where the C.B.C. opposed it.

Mr. OUMET: I do not know of any.

The CHAIRMAN: Are there any further questions on subsection 11?

Mr. MACDONNELL: It would be correct to say that you have only opposed in cases where you have been the competitor?

Mr. OUMET: That is correct.

Mr. PUGH: May we bring up the question of booster stations under this part?

The CHAIRMAN: Increase in power and change of channel?

Mr. PUGH: No, I mean satellite stations, relays.

Mr. SMITH (*Simcoe North*): Page 2 of Mr. Ouimet's memorandum deals with low-power relay stations and transmitters.

The CHAIRMAN: Are there any questions on this?

Mr. PUGH: In the case of the C.B.C., in my area we have a number of low powered transmitters or boosters. Does your policy in putting these in depend on the population of the area, or the segregation of it from the rest of the country by mountains?

The CHAIRMAN: I think that would come under coverage. That is a policy matter and it has nothing to do with the act, really.

Mr. PUGH: All right, that is fine.

Mr. BALDWIN: Section 12(1) brings up the Radio Act. Are you satisfied with the way this act operates and the regulations under which you have to make application for licences?

Mr. OUMET: Yes.

Mr. BALDWIN: You have no suggestion to make in that regard?

Mr. OUMET: No, we have no suggestion.

Mr. KEAYS: The Minister of Transport must submit the application to the C.B.C. before he deals with it. May I ask how well the application is dealt with before it comes along? How well is it studied? I mean section 11 (g), because the C.B.C. policy states that they are interested in any application coming out.

Mr. OUMET: Not any more, sir. We used to, prior to November, 1958. But now this is a matter which is entirely in the hands of the B.B.G. and we do not study those applications. As a matter of fact, they are not made available to us until after they have been presented on the first day of the hearing.

The CHAIRMAN: Are there any further questions?

Mr. KEAYS: What about the study made by the Department of Transport?

Mr. OUMET: In this case, at the time when we received such applications the study seemed to be thoroughly well done. But today we have no information. Only the B.B.G. could answer your question.

The CHAIRMAN: Are there any questions under subsection 2, or subsection 3?

Mr. MACDONNELL: Are we carrying it back to subsection 11?

Mr. PRATT: Subsection 3 provides that the applicant corporation and other interested licensees and applicants be heard. Does Mr. Ouimet not feel that there may be occasions when other interested parties should also have the privilege of being heard?

Mr. OUMET: I believe this is the matter we were dealing with a minute ago, and I think there are occasions when these should be heard; and I think that the B.B.G. may so decide if it wishes.

The CHAIRMAN: Are there any further questions on subsection 3? Or on subsection 4? Or on subsection 5?

Mr. LAMBERT: Is it the opinion of the corporation that licences should be issued subject to the condition that the licensee would comply with the provisions and abide by the regulations made thereunder, and also abide by any undertakings made at the hearing?

Mr. OUMET: Yes.

The CHAIRMAN: Are there any other questions on section 12? If not, section 13, network?

Mr. FISHER: My question has to do with subsection 4.

The CHAIRMAN: Are there any questions on subsection 1? Subsection 2? Subsection 3?

Mr. LAMBERT: Generally, here, what about permission? That is a point I think you raised in your brief: that prior permission of the corporation is required for an affiliate to participate in a local networking at all times. I think that is the burden of the corporation's representations.

Mr. OUMET: That is correct.

Mr. LAMBERT: Do you not feel that there is some merit, in that this permit should not be required for non-reserved time, or for local temporary networking?

Mr. OUMET: No. As we recommended in our submission to you, we feel that this provision as written in the act now is an important one and in the general public interest; and it is necessary, in order to ensure that the corporation will have access to its distribution outlets.

It does not have any of its own in many parts of Canada—in most parts of Canada. This ensures that the corporation can have access to those outlets outside of option time, because option time is something that can be determined only away in advance, and there is no way to predict what the corporation's need will be three to five to six months later.

Mr. LAMBERT: In other words, then, the corporation in its affiliation agreements says "We can take option of X hours, and we have a further option of Y hours at broadcast time"?

Mr. OUMET: Actually, it does not say that, because the Y hours would be very small as compared to the X hours.

Mr. LAMBERT: It may be; but that is the effect of your argument?

Mr. OUMET: In effect this is true. Furthermore, however, our affiliation agreements stipulate that the option time may be changed from season to season as may be necessary to fit conditions.

Mr. LAMBERT: And from week to week?

Mr. OUMET: From week to week? No, not the option time.

Mr. LAMBERT: Do you therefore feel that it is absolutely essential that the corporation give prior consent to the application of a local station to support a political broadcast network of a temporary nature?

Mr. OUMET: Yes, and if there is a high local interest in such a limited and temporary network, we of course would give consent.

Mr. LAMBERT: You would not be interested in a local political network, because this would likely be on purchased time, and you are not permitted by the act itself to give political time on the air?

Mr. OUMET: That is right.

Mr. LAMBERT: I am concerned about sporting events where the corporation might be interested.

The CHAIRMAN: Then what is your question?

Mr. LAMBERT: The question is whether the corporation might be altruistic in its approach to this.

Mr. OUMET: I do not think it is a question of altruism, but a question of the corporation trying to decide what is in the public interest long-term and short-term. This is something we feel very strongly about, the need for this provision. It is quite easy to say, well, it is not needed; Just take it out. But if the committee is seriously entertaining the thought that it should be taken out, then I have quite a bit to say about it that I would like to put on the record.

Mr. LAMBERT: I suggest you should, because representations have been made that it should be taken out.

Mr. FISHER: Where from?

The CHAIRMAN: From the C.A.B.

Mr. OUMET: May I say that Canada has a very, very unique system. As a matter of fact, there is no other country in the world that has ever attempted to operate such a complex arrangement. But we have done it, and we can still do it in the future, provided we have written safeguards that are built into the act.

In other countries there are publicly-owned broadcasting systems, like the B.B.C. in England, or the R.T.F. in France, and other systems in many other countries of Europe. You have the same thing again in Australia. But in all these countries the publicly owned system operates alone without competition, or if it operates in competition with a commercial network, it is always entirely separate and divorced from the commercial system.

For example, in England the B.B.C. has all its own stations, and these stations are able unaided to distribute B.B.C. programs and to bring them to all the public of England. The B.B.C. does not have to depend in any way on the rest of the broadcasting industry or upon commercial interests to do it.

The same thing takes place in Australia. In Australia you have the A.B.C. which is publicly owned. It operates a network. It has its own set of stations, complete. And then you have a commercial group which is linked together by a network, and they are complete.

But in Canada we have attempted something quite different, and with success. We have, in a way, two sectors or two important groups, but the publicly-owned sector is not self-contained or self-sufficient. It has to depend, in order to do its job, on the services of the private sector.

In respect of television, we have stations only in 10 of the major cities. Perhaps even that number is high, but as an illustration it will serve. On the



other hand in some 50 other cities we must depend entirely on our private affiliates to carry our programs. So therefore, an affiliate is to substitute for a C.B.C.-owned station, but it must be an effective substitute.

In other words, the C.B.C. must be able to depend, in order to carry out its mandate, that this station will be available not only within option time, which can be determined some months ahead of time, but upon special occasions where the affiliates are required to bring certain programs to the public of Canada.

I think that in the first instance this is a matter of responsibility for the corporation. We have that responsibility. I do not think it is sufficient to say: "Well, ask permission of the B.B.G.". I think the B.B.G. has a responsibility to settle matters which are contentious, as between the C.B.C. and private stations. It can always do that.

But the C.B.C. has the responsibility to provide service. Parliament has decided that it can have its own outlets, and has said: yes, you may also use private affiliates. And I maintain the C.B.C. must have the authority necessary to carry on, so that it will be able to carry out its responsibility; and it must have authority itself, irrespective of the B.B.G.

The CHAIRMAN: Mr. Fisher?

Mr. FISHER: Well, I think what most of us are concerned about is whether there is sufficient flexibility. Let me give you an example.

Several years ago the Prime Minister came to the Lakehead. I believe they finally got permission through, but it was too late to put him on the local station, because of the time that was available on the network.

I was wondering if some formula could not be worked out to give greater flexibility to the affiliates. Would it be possible to have written in that they could run a network program provided the network program was a non-commercial one, and the type of program that they were filling was a public service program rather than a commercial program? That surely would take care of one phase of it.

Mr. OUMET: There is also in our agreement with the affiliates a provision that we will clear network time if there is a matter of sufficient local interest.

The instance you refer to must go back to the time, I imagine, when we had regulatory powers. So, there is a distinction to be made there in any case. If we gave them permission, but too late, this would indicate some lapse in administration, and not a problem of principle.

Mr. FISHER: I understand that his plane was delayed. That would be a problem, perhaps. My whole point was that the decision had to be made within several hours, and I wondered whether or not there was sufficient flexibility, let us say at the local level, to handle it.

Mr. OUMET: You made a distinction between commercial and non-commercial programs, and suggested that we might be a little freer or be a little more generous in giving permission for release from network commercial programs. So far as the corporation is concerned there is no difference in importance between its commercial and its non-commercial programs. They are all meant to serve the public. The fact that one carries advertising and the other does not may be a good thing from the point of view of finances, but does not change in any way our obligation to provide good programming at all times.

Mr. FISHER: But my suggestion goes the other way. The private stations would not be able to obtain any revenue; it would be a public service program. This way it would guarantee that a local operator was not trying to drop out of something in order to grab a plum of some kind in terms of revenue.

Mr. OUMET: Even there I will say the same thing in terms of private stations. This local commercial program might be a program which would be a

public service. I would suggest to you gentlemen that this is a regulation and is in the statute now. We have been working under it for about two years. I do not know that there has been any difficulty, and frankly I do not think there is any evidence that there is a need for a change.

Mr. McGRATH: You are satisfied?

Mr. OUIMET: Yes.

Mr. FISHER: We have one situation in front of us at the present time in connection with the football telecast, which is causing me problems, and I am sure other members of parliament also who come from areas which are not served by big stations in the Toronto network. Is this the kind of thing which should come up at a hearing before the B.B.G., or do you believe this kind of situation should be left completely between you and your affiliates?

Mr. OUIMET: I think most definitely the whole football situation will have to come before a hearing with the B.B.G. CFTO at the present time has no network to provide distribution.

Mr. McGRATH: It would be only for permission to operate a network for a special event.

Mr. OUIMET: Yes.

Mr. FISHER: At such a hearing do you think it would be possible for an affiliate from Port Arthur to appear and make a representation on the subject?

Mr. OUIMET: I think first it should make its representation to the corporation.

Mr. SMITH (*Simcoe North*): Is there any similarity between the contracts you have with your affiliates and the contracts which a large United States commercial network would have with its affiliates?

Mr. OUIMET: There are some points of similarity, but the systems are very different. In the case of the United States networks, of course, they are entirely commercially self-supporting and entirely competitive. Also, they have no special mandate from parliament which they have to carry out.

Mr. SMITH (*Simcoe North*): Do they have clauses permitting their contract stations to jump around as it were from one network to another depending on the interest in a particular program?

Mr. OUIMET: I think they try very hard to prevent this; but on the other hand I am not sure there are any clauses which would prevent this being done.

Mr. MACDONNELL: If I understood it correctly, a few moments ago Mr. Ouimet in speaking about the competition for sporting programs said the C.B.C. in its approach to this had to be guided by the public interest. To what extent is it in the public interest that the C.B.C. makes as much money as it can? In other words is that a public interest, and is it proper for you to be governed wholly by that consideration?

Mr. OUIMET: I must answer immediately that we are not governed wholly by this consideration. We are governed first by our primary objective, which is to provide a national service in Canada of the highest possible standard; and then, as a secondary and important objective, to make sure that we supplement our revenue from public sources through commercial operations, so long as those commercial operations do not do violence to our primary objective.

Mr. MACDONNELL: In other words you compete, provided you are not starving any part of the country in your service.

Mr. OUIMET: We first decide what kind of program should be put on the air. That is done in terms of our primary objective of serving the public interest. Then, if there are any of these programs which can be sold, we try to get as much money as we can for them.



Mr. PUGH: Generally speaking in respect of an application for an affiliation, is that all cut and dried before the application is made? When a station makes an application have they already discussed it with the C.B.C.?

The CHAIRMAN: What was your question?

Mr. PUGH: In an application made under section 13, or otherwise, has it already been decided that the station applying is going to be an affiliate or not?

Mr. OUIMET: No. The question of whether or not a station is to be an affiliate is up to the B.B.G. to decide.

Mr. PUGH: For instance, when the last six stations became affiliates, was it decided before they made their application that they were going to be affiliates?

Mr. OUIMET: No. In this case it was understood from the start that these were to be second stations which would be independent of the C.B.C. network, at least in a general way. So there was no provision for them to affiliate with the corporation as all other stations had done in the past under the single station policy.

Mr. PICKERSGILL: You are speaking only of television.

Mr. OUIMET: This is true.

Mr. LAMBERT: Going back to the question of a local network, I have an example in mind which I think might be a little difficult to answer. When the playdowns were on for the Alberta representative in the Brier curling competition the local Edmonton station, which is a C.B.C. affiliate, showed the matches on Saturday morning and Saturday afternoon. The Saturday morning now is definitely non-network time because the corporation is not broadcasting in the morning. What possible interest could it have in having a power of veto on that temporary hookup between Edmonton, Calgary, Lethbridge and Medicine Hat, if there was a microwave link, when there was high local interest?

Mr. OUIMET: We have no objection at all to this sort of arrangement, because obviously at that time I am assuming we had no network commitment of higher importance. However, let me ask you this: suppose at that time there was a big development in the UN and we had to clear the network quickly because we wanted to have access to our affiliates. I do not think we should have to ask for permission to do this. This does not happen often. It is not as if we were dealing with something which happens every day. With my colleagues here I have been trying to determine how many such things have happened in the last two years.

Mr. LAMBERT: It is a matter of relative importance whether something picked up outside the country is of greater interest than certain events within the country.

Mr. OUIMET: I could have used another example. It might have been wiser to have used an example of some special event of great importance right here in Ottawa. I might say, however, that we have granted such permission for hundreds of cases and have refused very seldom. I do not think there is any problem in terms of public interest here.

Mr. BALDWIN: Section 13(4) (b) says "No such permission shall be granted without the consent of the operator of such other network". I think you have said that in considering this you have in mind what are the intentions of the act. What powers are given to you? Would you not consider there might be the alternative of setting out that no such permission shall be granted, if in so doing the intention of the act shall be avoided? In other words that would spell it out as you have indicated it should be.



Mr. OUMET: This is an alternative, but I would think that the present wording has the advantage of being clear and leaving no doubt as to what discretion the corporation has in this regard. I think the whole thing now is a question of whether the corporation in discharging its responsibilities under that section has done it in the public interest or not.

Mr. PICKERSGILL: Could I ask Mr. Ouimet if it could be put in this way: that you regard one of these stations on the network as a wife, and you do not want her to have any outside affairs without your permission.

Mr. OUMET: I wish I could think of something equally bright in reply to this. I can think of all kinds of things, but I do not think I should mention them here.

The CHAIRMAN: Are there any further questions on section 13?

Are there any questions on section 14?

Are there any questions on section 15, suspension of licences.

Mr. BALDWIN: I wonder if Mr. Ouimet has any comment on the suggestion thrown out by Dr. Stewart, that there might be an alternative penalty here? This is the matter of summary conviction, suspension and also the provision for a fine to be imposed by the B.B.G.

Mr. OUMET: I must admit we have not given a great deal of consideration to this. Offhand I would say it would seem to be a reasonable suggestion.

Mr. McGRATH: On a point of order, I do not feel the C.B.C. should be asked to comment on this section. I do not think it is within their competence at all.

Mr. PICKERSGILL: Firstly, on the point of order, I think we should ask Mr. Ouimet whether the C.B.C. considers that section 15 applies to the C.B.C.?

Mr. OUMET: We consider it does.

Mr. PICKERSGILL: You never have been threatened with suspension of any kind?

Mr. OUMET: I believe we definitely are interested in its provisions, but there have been no such threats.

The CHAIRMAN: Have you an answer for Mr. Baldwin?

Mr. OUMET: I believe I already have said to Mr. Baldwin I thought the suggestion had merit, but we had not discussed it ourselves to any extent.

Mr. FISHER: Were you in charge of the C.B.C. for a long enough period when you were the regulatory body to have had any experience on this question of seeing that each private broadcaster conformed to the regulations.

Mr. OUMET: I was general manager of the C.B.C. from 1952 to 1958, but I was mainly concerned, if not exclusively, with the management of the corporation and not with its regulatory powers, which were vested in its board. Actually I had no responsibility whatsoever for the application of such regulations, although I am familiar with some of the events which took place during those years because I was present at many board meetings; but I had no vote on such matters.

Mr. FISHER: As the general manager, did you ever bring to the attention of the board in that period any infraction which you thought required suspension of the licence?

Mr. OUMET: Not as general manager. We provided the board with the staff work which was required for regulation. We provided the staff, however, without taking responsibility for their recommendations. If this committee wants to know whether or not there ever was a licence cancelled, there was one I remember; it was some years back.

Mr. McGRATH: I would like the witness to qualify his answer wherein he states that in his opinion the corporation is in the same category as a private station with regard to disciplinary action by the B.B.G. under section 15, suspension of licence. After all you both are government agencies.

Mr. OUMET: I know that this has been brought up during the previous discussions; but so far as the corporation is concerned we took it that in the matter of licensing and in the matter of abiding by the regulations and any other decisions within the power of the B.B.G. we were on the same basis as the private stations except for one thing, and that is that the B.B.G. must keep in mind we have certain obligations and have a mandate given to us by parliament. I do not think this changes the application of the rule, say, in respect of advertising. If the regulation says there shall not be more than "X" spots in "Y" minutes the corporation has to abide by that.

Mr. McGRATH: But surely the corporation would not be expected to break the rules.

Mr. OUMET: Surely it would not be expected to, but it well might happen inadvertently.

Mr. PUGH: Do you think your advertising would build up to that extent?

Mr. OUMET: Oh, yes. In certain cases it would be very easy to break the rule.

Mr. PRATT: What disciplinary action would the B.B.G. be capable of taking against the corporation in such a case?

Mr. OUMET: Let us hope this never comes up, but I imagine the same provision that applies to others.

Mr. PRATT: You would lose your licence.

Mr. OUMET: This is what the act says.

Mr. McGRATH: How could you?

Mr. PICKERSGILL: It would be the licence of a specific station, of course.

Mr. McGRATH: How can they lose the licence for a specific station when they are given specific instructions by the Broadcasting Act to provide a service in a certain area.

Mr. OUMET: This of course, is one of the problems and one of the conflicts of the two-board system, but this has its merit in other ways.

Mr. PRATT: Maybe they would send you to coventry, or some place.

The CHAIRMAN: Are there any further questions on section 15?

Section 16, prohibitions and penalties.

Mr. SMITH (*Simcoe North*): I suppose section 16 would apply to a radio station wishing to join the network for a specific purpose or public interest broadcast, would it not—"a person shall not operate a network of broadcasting stations unless he has been granted permission by the board to do so". Normally, the station has been granted permission by the board?

Mr. OUMET: That is correct, for any kind of affiliation.

Mr. SMITH (*Simcoe North*): Then I would imagine a short-term affiliation would come under subsection 16 (b)?

Mr. OUMET: That is correct.

Mr. SMITH (*Simcoe North*): Then has machinery been set up by the board so that an application can be dealt with on fairly short order?

Mr. OUMET: I believe this machinery has been set up. Of course, we do not ask permission for temporary networks because we operate networks all the time.

Mr. SMITH (*Simcoe North*): I was thinking of independent stations that might want to join your networks for certain purposes.

Mr. OUIMET: This has not yet come up because all the private stations, except the more recent licensees, are already affiliated.

Mr. SMITH (*Simcoe North*): Radio stations?

Mr. OUIMET: I thought you meant television; now we are talking radio, I see. Enlargement of the network applies in special cases, for example, where a program is of a wide national interest.

An hon. MEMBER: The Christmas program—the Queen's speech?

Mr. OUIMET: Yes, this has been done then.

Mr. SMITH (*Simcoe North*): There is no difficulty in making the arrangements?

Mr. OUIMET: That is right.

Mr. PRATT: I have a question on section 17 (a).

The CHAIRMAN: We are on section 16.

Mr. PRATT: I beg your pardon. I shall postpone my question.

The CHAIRMAN: Are we through with section 16? Then, section 17—political programs.

Mr. PRATT: Subsection 1 (a) states:

(a) broadcast in dramatized form any program, advertisement or announcement of a partisan political character,

I should like to ask would this include some of the news broadcasts that we see on C.B.C.?

Mr. OUIMET: I am sure you know the answer already. It is no.

Mr. FORTIN: I should like to ask Mr. Ouimet, does he think the word "partisan" should be struck out of the subsection? After all, if a program is broadcast who will decide if it is partisan or not? I believe all programs of a political character should be prohibited.

Mr. OUIMET: I believe this is necessary because the word "political" has a very wide meaning and, of course, this clause is directed to party politics and not politics in the much broader sense.

Mr. FORTIN: Normally we believe a program is partisan when it speaks against us. Otherwise, it is not partisan.

Mr. PICKERSGILL: I do not think the courts would uphold that definition.

The CHAIRMAN: Are there any further questions?

Mr. LAMBERT: When you speak of partisan political broadcasts do you mean avowed or unavowed?

Mr. OUIMET: In practice I believe we have found it fairly easy to distinguish between the various kinds of political programs.

Mr. MACDONNELL: This section deals with partisan political programs but the only thing it prohibits is a partisan political program "in dramatized form". Is it easy to determine when a thing is in dramatized form?

Mr. OUIMET: It is not too easy, but it is now up to the B.B.G. to say what is or is not dramatized. That is the result of a decision of parliament.

Mr. PICKERSGILL: I am sure that Mr. Macdonnell, who was associated with some of those events, has not forgotten Mr. Sage.

Mr. FORTIN: I hope Mr. Ouimet understands that the definition of partisan which I gave was not really serious.

Mr. OUIMET: You may rest assured of that.



Mr. SMITH (*Simcoe North*): On subsection 2 of section 17—sponsor of political program to be identified—some of the people who appeared before us have suggested that there should only be an identification announcement preceding and not subsequent to the program. Have you any observations to make on that?

Mr. OUIMET: The C.B.C. sees no objection to having the announcement at both ends.

Mr. PICKERSGILL: And does the C.B.C. consider the announcements better than what comes in between them?

Mr. LAMBERT: Is this not hypothetical in the case of the C.B.C. since it does not sell political broadcasting time for spot announcements?

Mr. OUIMET: We still have to announce that any such program is a political broadcast.

Mr. LAMBERT: But when you carry such announcements for five minutes or more, they then become programs? You do not carry them for one minute?

Mr. OUIMET: Yes, they are programs.

Mr. LAMBERT: Therefore this is hypothetical so far as the C.B.C. is concerned.

Mr. SMITH (*Simcoe North*): I am interested in this question because a couple of bright stars in the C.B.C. firmament in Toronto have already indicated their political candidature, and I wonder how such a situation might be dealt with by the C.B.C.

Mr. FISHER: Names?

Mr. OUIMET: You are speaking, of course, of free lance artists' and commentators, not C.B.C. staff?

Mr. SMITH (*Simcoe North*): They have programs of a type.

Mr. OUIMET: We have no way of controlling the politics of our musicians and artists.

The CHAIRMAN: Are we through with section 17?

Mr. PICKERSGILL: Mr. Smith, in raising this question, leads me to ask is it not true that a person, who was a candidate for the legislature in British Columbia last year, was excluded from carrying on a program which was part of his means of livelihood?

Mr. OUIMET: For the sake of accuracy I believe I should state that he had other means of livelihood. If his only means were what he got from us, then they would be inadequate for his living.

Mr. PICKERSGILL: But they were part of his income. I am pretty interested in this matter.

The CHAIRMAN: Did you ask a question or make a statement?

Mr. PICKERSGILL: Is it the view of the corporation that if anyone has been adopted as a candidate for a political party then he automatically becomes a political broadcaster and, therefore, everything he does has to be treated as a political broadcast.

Mr. OUIMET: Our policy in this respect, as it applies to staff, is quite clear. According to our by-laws our staff are not allowed to engage in political activities of any kind, and for good reason. I should add that municipal politics are exempted. In so far as talent is concerned, the artists and commentators that we engage on a per-occasion basis, we have to use our own judgment; and our policy to date has been that, if one of our commentators decides to run for public office, other than municipal, we have to look at all the circumstances of the case and we may well decide to put an end to his engagement with us.

Mr. PICKERSGILL: Does Mr. Ouimet not think this matter would be much better regulated either by parliament or the B.B.G., rather than having it left to the discretion of the C.B.C.?

Mr. OUIMET: May I complete my answer? When I say "put an end to his engagement", that is only for the duration of his political activities.

Mr. PICKERSGILL: But do you not think, Mr. Ouimet, that this is a matter which should be determined by parliament or the B.B.G., and not by the C.B.C.?

Mr. OUIMET: In the first place I do not think the internal administration of the corporation or any private station in its dealings with staff and artists is a matter for the B.B.G. but parliament, of course, is supreme.

Mr. PICKERSGILL: There is something more involved here than internal management of the C.B.C. There are the rights of the citizen to act as a full citizen and not a part citizen and it seems to me it would be a fundamental right that it should not be left to any corporation to decide—

Mr. McGRATH: May I interject that the real danger is that the corporation can be construed as endorsing the attitude and politics of their part-time employees, particularly if those employees are engaged in a sustained type of program.

Mr. OUIMET: This is the problem. Of course you know how vulnerable the corporation is to this sort of criticism. We are trying to minimize the possibility of it as much as possible. But there is a further aspect, that it would be easy to use the corporation simply to get additional exposure which would be to the advantage of a political candidate. I think that is a very important consideration and that is why, on occasion, we have decided it would be better if the commentator in question—whoever he may be—relinquished his program. We have to deal with each case individually.

Mr. MACDONNELL: May I ask for an explanation of a phrase in Mr. Pickersgill's question when he asked did Mr. Ouimet consider that this should be dealt with by parliament? You do not mean the individual cases; you mean changing the legislation?

Mr. PICKERSGILL: My feeling is that either parliament or the B.B.G. should lay down rules for any person who becomes a candidate for parliament, rather than have the C.B.C. do it. The C.B.C. is an employer. I am thinking of the position of employees of the C.N.R. who can become candidates for parliament

Mr. SMITH (*Simcoe North*): That is an entirely different problem.

Mr. PICKERSGILL: Going by your attitude it depends on whether they are Liberal or Conservative.

Mr. BALDWIN: On a point of order, are we not getting very far away from section 17?

The CHAIRMAN: I am afraid we have gone off it for the last ten minutes.

Mr. BALDWIN: This is a matter of broad policy which could be discussed at a later stage.

Mr. FISHER: Who are these Liberal T.V. stars?

Mr. BALDWIN: Section 17 deals with something entirely different.

The CHAIRMAN: Are there any questions on section 17? I should certainly like to get through with this part of the act today.

Miss AITKEN: Are we not going to talk about political partisan broadcasts, or are we off that?

Mr. McGRATH: Mr. Pickersgill is not going to have the last word.

The CHAIRMAN: I think we shall have to return to that when we meet again on Thursday. I have something to say about the documents that were distributed this morning by the C.A.B. We only had 25 copies and the Press have not been able to get a sufficient number. I should like to have the committee's feelings as to whether these should be printed as appendices to the report.

Mr. LAMBERT: I propose that.

Mr. FISHER: And I second it.

Motion agreed to.

The CHAIRMAN: I should also say that, for a while at least, our meetings will be on Tuesdays from 10 to 12, and on Thursdays from 9.30 to 11 a.m. I do not know how long we can hold on to Tuesday sittings but I hope we can until we are finished.



## APPENDIX "A"

(Filed by Canadian Association of Broadcasters, on March 7, 1961)

## A BROADCASTING CODE OF ETHICS

*Preamble*

The purpose of this Code of Ethics is to document the realization by proprietors and managers of broadcasting stations that, as publishers and an integral part of the press of Canada, their first responsibility is to the radio listeners and television viewers of Canada for the dissemination of information and news, the supply of entertainment varied to meet the various tastes of listeners, and the necessity for ethical business standards in dealing with advertisers and their agencies.

The electronic form of publication known as private commercial broadcasting is a highly competitive business devoted to provision of service to the public in all its interests—business, political, recreational, informational, cultural and educational—for profit.

It is recognized that the most valuable asset of a broadcast publisher is public respect which must be earned and can be maintained only by adherence to the highest possible standards of public service and integrity.

Revenues from advertising make possible non-government broadcasting and make available to the Canadian people all the programmes of information, education, and entertainment. Each broadcaster is responsible for the programming of his station. He can carry out this responsibility only by bringing his influence to bear upon all who have a hand in the production of programmes including networks, sponsors, producers of live and recorded programmes, advertising agencies and talent agencies.

*Clause 1 General Programming*

Recognizing the varied tastes of the public it shall be the responsibility of the broadcasting industry to so programme its various stations that as far as possible all groups of listeners and viewers shall have from these some part of the programming devoted to their special likes and desires.

*Clause 2 Children's Programmes*

Recognizing that programmes designed specifically for children reach impressionable minds and influence social attitudes and aptitudes, it shall be the responsibility of member stations to provide the closest possible supervision in the selection and control of material, characterizations and plot. Nothing in the foregoing shall mean that the vigour and vitality common to children's imaginations and love of adventure should be removed. It does mean that programmes should be based upon sound social concepts and presented with a superior degree of craftsmanship; that these programmes should reflect respect for parents, adult authority, law and order and honourable behaviour. The member station should encourage parents to select from the richness of broadcasting fare the best programmes to be brought to the attention of their children.

*Clause 3 Community Activities*

It shall be the responsibility of each member station to serve to the utmost of its ability the interests of its particular community and to identify itself actively with worthwhile community activities.

*Clause 4 Education*

While recognizing that all programmes possess by their very nature some educational value, member stations will do all in their power to make specific educational efforts as useful and entertaining as possible. To that end they will

continue to use their time and facilities and to cooperate with appropriate educational groups in an attempt to augment the educational and cultural influences of schools, institutions of higher learning, the home and other institutions devoted to education and culture. When practical, advantage should be taken of opportunities to consult such institutions on what suitable material is available and how it may best be presented. Where practical, factual material for public enlightenment should be included by stations, networks, advertisers and their agencies.

#### *Clause 5 News*

It shall be the responsibility of member stations to ensure that news shall be presented with accuracy and without bias. The member station shall satisfy itself that the arrangements made for obtaining news ensures this result. It shall also ensure that news broadcasts are not editorial. News shall not be selected for the purpose of furthering or hindering either side of any controversial public issue, nor shall it be coloured by the beliefs or opinions or desires of the station management, the editor or others engaged in its preparation or delivery. The fundamental purpose of news dissemination in a democracy is to enable people to know what is happening, and to understand events so that they may form their own conclusions. Therefore, nothing in the foregoing shall be understood as preventing news broadcasters from analyzing and elucidating news so long as such analysis or comment is clearly labelled as such and kept distinct from regular news presentations. Member stations will, insofar as practical, endeavour to provide editorial opinion which shall be clearly labelled as such and kept entirely distinct from regular broadcasts of news or analysis and opinion. It is recognized that the full, fair and proper presentation of news, opinion, comment and editorial is the prime and fundamental responsibility of the broadcast publisher.

#### *Clause 6 Controversial Public Issues*

Recognizing in a democracy the necessity of presenting all sides of a public issue, it shall be the responsibility of member stations to treat fairly all subjects of a controversial nature. Time shall be allotted with due regard to all the other elements of balanced programme schedules, and to the degree of public interest in the questions presented. Recognizing that healthy controversy is essential to the maintenance of democratic institutions, the broadcast publisher will endeavour to encourage presentation of news and opinion on any controversy which contains an element of the public interest.

#### *Clause 7 Advertising*

Recognizing the service that commercial sponsors render to listeners and viewers in making known to them the goods and services available in their communities and realizing that the story of such goods and services goes into the intimacy of the home, it shall be the responsibility of member stations and their sales representatives to work with advertisers and agencies in improving the technique of telling the advertising story so that these shall be in good taste, shall be simple, truthful and believable, and shall not offend what is generally accepted as the prevailing standard of good taste. Advertising is to be made most effective not only by the use of an appropriate selling message but by earning the most favourable reaction of the public to the sponsor by providing the best possible programming. Nothing in the foregoing shall prevent the dramatization of the use, value or attractiveness of products and services. While appropriate legislation protects the public from false and exaggerated claims for drugs, proprietaries and foods it shall be the responsibility of member stations and sales representatives to work with the advertisers of these products and the advertising agencies to ensure that their



value and use is told in words that are not offensive. Recognizing also that advertising appeals or commentaries by any advertiser that cast reflection upon the operation of a competitor or other industry or business are destructive of public confidence, it shall be the responsibility of member stations so far as it lies within their power to prevent such advertising appeals or commentaries being broadcast from their stations.

#### *Clause 8 Treatment of Religious Programmes*

The broadcaster should endeavour to make available to the community adequate opportunity for presentation of religious messages and should also endeavour to assist in all ways open to him the furtherance of religious activities in the community. Recognizing the purpose of the religious broadcast to be that of promoting the spiritual harmony and understanding of mankind and that of administering broadly to the varied religious needs to the community, it shall be the responsibility of each member station to ensure that its religious broadcasts, which reach men of all creeds and races simultaneously, shall not be used to convey attacks upon another race or religion.

#### *Clause 9 Employees*

Each member station shall endeavour to secure the highest possible type of employees and people who are qualified for and suitable to the duties for which each is hired. Every attempt shall be made to make service in the broadcasting industry an attractive and permanent career, permitting employees to contribute through their manner of living and personal attainments to the station's prestige in the community. Each employee shall receive in addition to minimum guarantees provided by Federal, Provincial and Municipal legislation fair remuneration and treatment in accordance with the best standards prevailing in the particular community at any time. The general intent of this section is realization that any industry is most often judged by the type of employees it attracts, the manner in which they conduct themselves and are able to live, and their opinion of the industry for which they work. Recognizing this as a valuable asset, the broadcaster will do everything possible to maintain and further the best type of staff relations.

#### *Clause 10 Adherence*

Upon adoption of this Code of Ethics by the Association, any member Broadcasting Station thereof may apply for adherence to it. Each such member Broadcasting Station shall be granted appropriate recognition and symbol. It may then make announcement periodically of the fact it is in possession of such certification and be entitled to make appropriate aural and visual use of the Code symbol. Such symbol and certification may be withdrawn by due process as set out within this Code. Where a member station adheres to this Code of Ethics it may apply for adherence to any statement of Operating Principles subtended herefrom that may from time to time be adopted by the Association or any Section thereof.

#### *Clause 11 Enforcement*

There shall be a Code of Ethics Committee of five persons, three of whom shall be appointed by the Board of Directors and two elected by the Annual Meeting of the Association for a period not to exceed five years, and appointments may be renewed. Any vacancy in the Committee may be filled for the unexpired term by the Board of Directors. Any vacancy or absence shall not impair the powers of the remaining members of the Code of Ethics Committee to act provided however that a quorum of it shall be considered as not less than three persons and such a quorum shall be present before the Code of Ethics Committee is empowered to transact business.



This Code of Ethics Committee may, upon its own initiative, investigate the operation of any member station it believes is not adhering to the Code. A complaint of non-adherence may be filed with the Committee in writing by any other member of the Association.

In either event, the Committee shall present its findings in writing to the station concerned, which will then have an opportunity to be heard and if it desires, to file a reply. If, in the opinion of the Code of Ethics Committee, the complaint is warranted, the Committee is hereby empowered to withdraw from the station certification of adherence to the Code of Ethics, the right to use any symbol or announcement in connection therewith and to make public announcement of this procedure.

Such public announcement, however, shall not be made until sixty days following the Committee's notification to the station of its decision, and such notification should be made as promptly as practicable. The station concerned may, within that period of sixty days, appeal to the Board of Directors of the Association who shall hear both the Committee and the station as soon as practical. Where such appeal be made, the application of the Committee's decision shall be stayed and suspended until the appeal is dealt with.

In order to become effective, the decision of the Code of Ethics Committee in any case where such appeal be lodged by the station concerned, must be upheld by a vote of a two thirds majority of the Directors present at a meeting duly and properly called and held in accordance with the By-Laws of the Association. Such a two thirds majority decision of any duly and properly called and held meeting of the Board of Directors shall be final and binding.

Any member station decertified under the process described above may again be permitted adherence to this Code upon application approved by a two thirds majority decision of any duly and properly called and held meeting of the Board of Directors.

## APPENDIX "B"

*Filed by Canadian Broadcasting Corporation in answer to question asked on March 2, 1961, by Mr. Chown. (Page 163 of Evidence).*

RECOMMENDATIONS OF BBG ON APPLICATIONS  
BY CBC FOR BROADCASTING LICENCES

## Television

## COMPETITIVE APPLICATIONS

Place	Date of BBG Hearing	Recommendation
Edmonton, Alberta .....	May 10, 1960	Approval
Pembroke, Ontario .....	June 23, 1960	Denial
UNOPPOSED APPLICATIONS		
Corner Brook, Nfld. ....	March 16, 1959	Approval
Moncton, N.B. (French) .....	"	"
Kenora, Ont. ....	"	"
Winnipeg, Man. (French) .....	"	"
Trail, B.C. ....	"	"
Nelson, B.C. ....	March 14, 1960	"
Courtenay, B.C. ....	"	"
Sturgeon Falls, Ont. (French) ..	"	"
Sudbury, Ont. (French) .....	"	"
Mont Tremblant, Que. (French) .	November 29, 1960	"
Mont Laurier, Que. (French) ...	"	"

RECOMMENDATIONS OF BBG ON APPLICATIONS  
BY CBC FOR BROADCASTING LICENCES

## Radio (Low Power Relay Transmitters)

## UNOPPOSED APPLICATIONS

Place	Date of Hearing	Recommendation
Digby, N.S. (French) .....	July 7, 1959	Approval
Meteghan, N.S. (French) .....	"	"
Wedgeport, N.S. (French) .....	"	"
Weymouth, N.S. (French) .....	"	"
Yarmouth, N.S. (French) .....	"	"
Kedgwick, N.B. (French) .....	"	"
St. Quentin, N.B. (French) .....	"	"
Inuvik, N.W.T. ....	September 28, 1959	"
Hinton, Alta. ....	June 20, 1960	"
St. Fintan's, Nfld. ....	September 26, 1960	Approval
Senneterre, Que. (French) .....	"	"
Bancroft, Ont. ....	"	"
Mayo, Yukon .....	"	"
Elsa, Yukon .....	"	"
Haliburton, Ont. ....	"	"
100-Mile House, B.C. ....	"	"
Meritt, B.C. ....	"	"
Proctor, B.C. ....	"	"
Lake Windermere, B.C. ....	"	"
Houston, B.C. ....	"	"
Frobisher, N.W.T. ....	November 29, 1960	"

## "A" (ii)

March 3, 1961.

Member Broadcasting Stations of The Canadian Association of  
Broadcasters accepted for Adherence to The C.A.B.  
Code of Ethics at this date:

CKDH Amherst, N.S.	CJSP Leamington, Ont.
CKBC Bathurst, N.B.	CFPL London, Ont.
CKBW Bridgewater, N.S.	CKSL London, Ont.
CFCY Charlottetown, P.E.I.	CKMP Midland, Ont.
CFNB Fredericton, N.B.	CKGM Montreal, P.Q.
CHNS Halifax, N.S.	CJAD Montreal, P.Q.
CKEN Kentville, N.S.	CFCF Montreal, P.Q.
CKCW Moncton, N.B.	CHWO Oakville, Ont.
CKMR Newcastle, N.B.	CKLB Oshawa, Ont.
CKEC New Glasgow, N.S.	CFOS Owen Sound, Ont.
CFBC Saint John, N.B.	CKPT Peterborough, Ont.
CHSJ Saint John, N.B.	CHEX Peterborough, Ont.
CJON St. John's, Nfld.	CFOX Pointe Claire, P.Q.
CJRW Summerside, P.E.I.	CFPA Port Arthur, Ont.
CKCL Truro, N.S.	CJRH Richmond Hill, Ont.
CFAB Windsor, N.S.	CHOK Sarnia, Ont.
CFGT Alma, P.Q.	CJIC Sault Ste. Marie, Ont.
CJMT Chicoutimi, P.Q.	CKCY Sault Ste. Marie, Ont.
CHFA Edmonton, Alta.	CKTB St. Catharines, Ont.
CJEM Edmundston, N.B.	CHLO St. Thomas, Ont.
CFRG Gravelbourg, Sask.	CJCS Stratford, Ont.
CKCH Hull, P.Q.	CHNO Sudbury, Ont.
CKRS Jonquiere, P.Q.	CKSO Sudbury, Ont.
CFLM La Tuque, P.Q.	CFRB Toronto, Ont.
CKBL Matane, P.Q.	CHUM Toronto, Ont.
CJMS Montreal, P.Q.	CHOW Welland, Ont.
CKAC Montreal, P.Q.	CKLW Windsor, Ont.
CHNC New Carlisle, P.Q.	CKNX Wingham, Ont.
CHRC Quebec, P.Q.	CKOX Woodstock, Ont.
CJLR Quebec, P.Q.	CFAM Altona, Man.
CKRN and )	CKX Brandon, Man.
CHAD )	CFCN Calgary, Alta.
CKVD )	CKXL Calgary, Alta.
CKLS )	CFAC Calgary, Alta.
CJBR Rimouski, P.Q.	CFCW Camrose, Alta.
CHRL Roberval, P.Q.	CJDV Drumheller, Alta.
CFNS Saskatoon, Sask.	CFRN Edmonton, Alta.
CFKL Schefferville, P.Q.	CHED Edmonton, Alta.
CJSO Sorel, P.Q.	CJCA Edmonton, Alta.
CKRS St. Georges de Beauce, P.Q.	CFAR Flin Flon, Man.
CFBR Sudbury, Ont.	CFGP Grande Prairie, Alta.
CFCL Timmins, Ont.	CJOC Lethbridge, Alta.
CFDA Victoriaville, P.Q.	CKSA Lloydminster, Sask.-Alta.
CKBB Barrie, Ont.	CHAB Moose Jaw, Sask.
CJBQ Belleville, Ont.	CJNB North Battleford, Sask.
CHIC Brampton, Ont.	CKYL Peace River, Alta.
CHUC Cobourg, Ont.	CKBI Prince Albert, Sask.
CJLX Fort William, Ont.	CKCK Regina, Sask.
CFTJ Galt, Ont.	CJME Regina, Sask.
CJOY Guelph, Ont.	CKOM Saskatoon, Sask.
CKOC Hamilton, Ont.	CFQC Saskatoon, Sask.
CHML Hamilton, Ont.	CKSW Swift Current, Sask.
CKAR Huntsville, Ont.	CFSL Weyburn, Sask.
CKLC Kingston, Ont.	CKY Winnipeg, Man.
CKKW Kitchener, Ont.	CKRC Winnipeg, Man.



CJOB Winnipeg, Man.  
CJGX Yorkton, Sask.  
CHWK Chilliwack, B.C.  
CKEK Cranbrook, B.C.  
CJDC Dawson Creek, B.C.  
CFJC Kamloops, B.C.  
CHUB Nanaimo, B.C.  
CKLN Nelson, B.C.  
CKLG North Vancouver, B.C.  
CKOK Penticton, B.C.  
CKPG Prince George, B.C.  
CFTK Terrace, B.C.  
CJAT Trail, B.C.  
CKWX Vancouver, B.C.  
CKDA Victoria, B.C.  
CJVI Victoria, B.C.  
CJAV Port Alberni, B.C.  
CJIB Vernon, B.C.  
CFCY-TV Charlottetown, P.E.I.  
CJCN-TV Grand Falls, Nfld.  
CKCW-TV Moncton, N.B.  
CHSJ-TV Saint John, N.B.  
CJON-TV St. John's Nfld.  
CKBL-TV Matane, P.Q.  
CFCM-TV Quebec, P.Q.  
CKRN-TV Rouyn, P.Q.  
CKVR-TV Barrie, Ont.  
CHCH-TV Hamilton, Ont.

CKWS-TV Kingston, Ont.  
CKCO-TV Kitchener, Ont.  
CFPL-TV London, Ont.  
CFCF-TV Montreal, P.Q.  
CKGN-TV North Bay, Ont.  
CHEX-TV Peterborough, Ont.  
CKMI-TV Quebec, P.Q.  
CJIC-TV Sault Ste. Marie, Ont.  
CKSO-TV Sudbury, Ont.  
CFCL-TV Timmins, Ont.  
CKLW-TV Windsor, Ont.  
CKNX-TV Wingham, Ont.  
CKRS-TV Jonquiere, P.Q.  
CKX-TV Brandon, Man.  
CHCT-TV Calgary, Alta.  
CFCN-TV Calgary, Alta.  
CFRN-TV Edmonton, Alta.  
CJLH-TV Lethbridge, Alta.  
CHAB-TV Moose Jaw, Sask.  
CHCA-TV Red Deer, Alta.  
CKCK-TV Regina, Sask.  
CFQC-TV Saskatoon, Sask.  
CJFB-TV Swift Current, Sask.  
CJAY-TV Winnipeg, Man.  
CKOS-TV Yorkton, Sask.  
CJDC-TV Dawson Creek, B.C.  
CHBC-TV Kelowna, B.C.









HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

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THURSDAY, MARCH 9, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, and Mr. A. H. M. Laidlaw, General Counsel, of the Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield,

*Vice-Chairman:* Mr. Laurier Regnier,

and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forgie

Fortin  
Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell

Morissette  
Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*



## CORRECTIONS

Page 169—10th paragraph down, in second line thereof: *the word not should be deleted.*

Page 195—top of page

*Should read "Appendix "A" (i)*

Pages 200 and 201

The text appearing under "A" (ii) on these pages should be read after the end of text of Appendix "A" (i), on page 198, and before Appendix "B", on page 199.



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, March 9, 1961.

(9)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Allmark, Baldwin, Caron, Chown, Creaghan, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell, MacEwan, McQuillan, Pickersgill, Pratt, Regnier, Simpson, Smith (*Simcoe North*), Tremblay, Webb—(22).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President Corporate Affairs; Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry MacDonald, Executive Assistant; Mr. R. Kerr, Co-ordinator, Station Relations.

As the proceedings of the Committee commenced, the Chairman informed the members that requests had come from (a) the National Community Antenna Television Association of Canada, and (b) the Canadian Federation of Agriculture that if and when the Committee decides to hear them in connection with their respective brief already submitted, advance notice be given to them to appear so that their commitments would not conflict with the Committee's schedule; he said this would no doubt be taken into account by the subcommittee on Agenda and Procedure when it deals with the matter. The Chairman also gave notice that specimen copies, in English and French, of the Network affiliation agreement of the C.B.C., requested by Mr. Fisher on March 7, had now been distributed.

\*With both an interpreter and French shorthand reporter already in attendance, the question of conducting some of the proceedings in the French language was discussed briefly.

The Committee resumed from Tuesday, March 7, the section-by-section review of the Broadcasting Act, 1958, with Mr. Alphonse Ouimet, President, assisted by Mr. A. H. M. Laidlaw, General Counsel, Canadian Broadcasting Corporation, under questioning.

During the period of questioning the following returns were requested from the witness who undertook to supply these at a subsequent sitting:

1. Interpretation given by the Department of Justice on the provisions of Section 17(1) (a) of the Broadcasting Act, 1958, or the parallel provisions under the former Act. (*Hon. Mr. Pickersgill*) (*It was later agreed that this information might be sought from the Board of Broadcast Governors.*)
2. A report showing the number of meetings of the Board of Directors of the Canadian Broadcasting Corporation and record of attendance of each Director at those meetings, to date. (*Mr. Chown*)
3. Names of Vice-Presidents of the Canadian Broadcasting Corporation, and the Departments each one supervises. (*Mr. Chown*)



4. The number of employees on TV and Radio from 1950 to the present time; also, gross cost of salaries and wages for the same period.  
(Mr. Chown)

By unanimous consent, Mr. McGee, M.P., was permitted to ask a specific question to the witness.

And the examination of Mr. Ouimet still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m., on motion of Mr. Chown, the Committee adjourned to meet again at 10.00 o'clock a.m., Tuesday, March 14, 1961.

Antoine Chassé.  
Clerk of the Committee.

## EVIDENCE

THURSDAY, March 9, 1961.

9.30 a.m.

The CHAIRMAN: Ladies and gentlemen, we now have a quorum.

I have had requests from the National Community Antenna Association of Canada and the Canadian Federation of Agriculture asking that if and when this committee decides to invite them to appear to be questioned on their respective briefs, which they have submitted already, we give them advance notice. This will no doubt be taken into account by the steering subcommittee and when the time comes for it they will be given necessary notice.

Yesterday, copies of the network affiliation agreement of the C.B.C., in English and French, were distributed. I hope you have it before you.

At the first subcommittee meeting there was some discussion concerning the use of interpreters and French reporters. It was hoped if possible that we might get along without this, although no firm decision was made at that time. This was only from the point of view of the length of time which is required in this type of questioning of witnesses, interpretation and reinterpretation. A request has been made, however, that these services be made available, both the French interpreter and the French reporter. What is the feeling of the committee on this?

Mr. PICKERSGILL: I should say at once that there should be no feeling of the committee. This is a right. If any hon. member wishes to have the full facilities for the use of either of the official languages in this committee, there should be no question of it. It is a matter of right under the constitution.

Mr. FISHER: How many requests have you had, Mr. Chairman?

The CHAIRMAN: Two.

Yesterday we had got down to section 17 of the act. I understand there still are further questions. Are there any questions under section 17?

Mr. HORNER (*Acadia*): There were two programs earlier this fall which certainly were dramatized and of a political character. I am referring to the programs of the new labour party entering into politics. Were the other parties given the same time? I mean other political parties. Were they free-time broadcasts?

Mr. J. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): Frankly I do not remember the instances to which you are referring.

Mr. SMITH (*Simcoe North*): It was a series of four programs put on by Professor Kilborn, "The Face of Labour". I think it appeared on the program "Explorations".

Mr. OUMET: What is the question?

Mr. HORNER (*Acadia*): These programs portrayed labour's part in politics and labour's coming into politics. Certainly this was dramatized and of a partisan political nature. That is my viewpoint. Were other political parties given the same time, or were these rebroadcast? What was the score?

Mr. OUMET: This series was a part of the overall series called "Explorations". "The Face of Labour" was a parallel series to the earlier series on "Men at the Top", which was a series on management. So far as I am concerned, these were not political broadcasts in any way.

Mr. HORNER (*Acadia*): The programs I saw certainly were political broadcasts.

Mr. OUMET: Are you referring to the same series?

The CHAIRMAN: Might I interrupt. Is that on the operations or is it on the act?

Mr. HORNER (*Acadia*): I would say it is on the act under section 17 (a): "No licensee shall broadcast in dramatized form any program, advertisement or announcement of a partisan political character."

Mr. CHAIRMAN: But, this is an interpretation of the act, and I think Mr. Oumet previously said that he agrees this is a good rule and he has no intention of amending it. However, pursuant to our agenda, we had hoped to go into the act in so far as whether or not there should be any amendments made to it.

Mr. HORNER (*Acadia*): Well, Mr. Chairman, I do not want to prolong this argument. However, we have an act here which says something. Before we can say we agree with the way the act now stands we have to know how it applies to the C.B.C. I cited three or four programs, and I was wondering how they applied under this section of the act.

The CHAIRMAN: We seem to have a margin of disagreement, because that is not my interpretation of the agenda which we had agreed on in the first place.

Mr. PICKERSGILL: Mr. Chairman, if I may—

The CHAIRMAN: Mr. Chown is first, Mr. Pickersgill.

Mr. CHOWN: Mr. Chairman, under what section of part II do you contemplate that we will deal with the programming?

The CHAIRMAN: I had hoped we would not deal with it until we got into the operations of the corporation. At this time we simply are trying to find out what their interpretation is of the act, and whether or not they have any suggested amendments to the the act.

Mr. PICKERSGILL: Mr. Chairman, I take it from the ruling that you are making that you do not share the view of Mr. Horner, that any program which one does not like is a political broadcast.

Mr. HORNER (*Acadia*): On a point of privilege, Mr. Chairman, I never said I liked it or did not like it. Mr. Pickersgill is definitely putting words in my mouth. I never said anything of the kind. You are drawing conclusions, Jack.

Mr. PICKERSGILL: Yes, that is what I did.

Mr. HORNER (*Acadia*): Don't portray me in them.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I think it is a matter of interpretation as to how "The Face of Labour" would be construed. I think possibly we should deal with it when we have the program people here. It just happens that Professor Kilborn, who put on the program, is also the official biographer of The Steel Company of Canada, and it is possible, although I do not know, that Mr. Fisher might say that he is not friendly to labour or the new party.

Mr. FISHER: He is one of my better friends.

Mr. HORNER (*Acadia*): Well, these programs—

The CHAIRMAN: Would you wait a minute, Mr. Horner, until Mr. Smith has completed his remarks.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I think this is a matter of interpretation and it should be dealt with when we have some of the program producers and some of the people in charge of programming here, in order



to see what safeguards they take. In his personal capacity, I do not think that Mr. Ouimet could answer it, even if it were in order. I feel it falls directly within the matter of interpretation of programming.

The CHAIRMAN: That is my very point. As the agenda is laid on, we do not want to go at this time into anything further, such as organization, finances, and so on. If you start asking questions on programming at this time, I think it is rather unfair to Mr. Ouimet and the officials who are present with him, because there are no producers or those from the production end here. We warned the officials of the C.B.C. that only the act would be involved at this stage.

Mr. DANFORTH: I think if Mr. Horner fully understood that he would be given an opportunity later on to go into this question—

Mr. HORNER (*Acadia*): I understand that fully well. Mr. Chairman, I asked a perfectly legitimate question. If you rule it out of order, fine. However, you have not done so as yet. These programs deal with a new labour party, a new socialist party, and to me they were dramatized, partisan and of political character. I asked you, Mr. Ouimet, whether they came under section (a) of the act, and whether other parties were given similar time.

The CHAIRMAN: Well, this comes under programming and policy, and I still feel it is not the interpretation of the act.

Mr. HORNER (*Acadia*): Well, I disagree.

The CHAIRMAN: If Mr. Ouimet agrees with me, I think you will find that he is not prepared at this time to answer that question. However, they will be proper questions when the time comes, when the operations of the corporation are before us.

Mr. HORNER (*Acadia*): Well, Mr. Chairman, it is not my wish to prolong this any longer than I already have. However, it would appear to me that if other parties were not given similar free time, or if this was free time—and that point has not been answered—then it is a violation of section 17 (a) of the act. That is the way I interpret it.

The CHAIRMAN: Perhaps that question should be put to the officials of the B.B.G.

Mr. HORNER (*Acadia*): It is also in violation of section 17 (b).

The CHAIRMAN: I will have to rule your question out of order, Mr. Horner.

Mr. BALDWIN: Perhaps he might take it as notice.

Mr. FISHER: I should like to ask has the C.B.C. given, either to the house committee last year on the Canadian Elections Act or to the B.B.G., any views or opinions on what constitutes a dramatized form?

Mr. OUMET: The only thing we have given the B.B.G. is a copy of our original white paper on such programs, and we have not changed our views or offered any other suggestions to the B.B.G.

Mr. FISHER: I do not know if other members of the committee will agree with this, but I have talked to a number of C.B.C. producers who have been stuck with producing free time political broadcasts, and they never seem to be happy with them. When I say they are not "happy", that is from the point of view of producing; it has nothing to do with politics. I wonder could we have some statements or views on the experience of the C.B.C. with regard to the present kind of partisan political broadcasts that the corporation puts on in free time.

Mr. OUMET: We shall be pleased to give you our views.

Mr. LAMBERT: Would it be that Mr. Fisher feels individual producers are entirely right in their interpretation of the act, and it is for that reason that the act should be changed?

Mr. FISHER: I do not know if the hon. member has had the opportunity of talking this over with the C.B.C. producers, but the ones I have talked to have felt the politicians do not take the best advantage of the scope allowed them at the present time, perhaps because of hesitancy in connection with the dramatized form, the structure of dramatized form.

Mr. PRATT: Thank God for that.

Mr. SMITH (*Simcoe North*): Mr. Ouimet, have any of your people ever felt that section 17 (a) might be reworded or rewritten in a clearer fashion?

Mr. OUIMET: We had to interpret the same section when we were the regulatory authority. We agree, of course, that it is a very difficult section to interpret. The Department of Justice has given rulings, at least once to my recollection, and if I remember correctly the ruling was quite restrictive. I believe the B.B.G., since it has assumed the regulatory powers, has somewhat broadened the interpretation of this section.

Mr. SMITH (*Simcoe North*): Has anyone ever come up with the suggestion of redrafting or rewording the section? Has any such suggestion ever been made?

Mr. OUIMET: We have not made any such suggestion and I do not believe anyone has made that suggestion to us.

Mr. SMITH (*Simcoe North*): It might be useful if someone did.

Mr. BALDWIN: I have a supplementary which is almost the same question. It is under this section that a regulation deals with political broadcasts. Does Mr. Ouimet think the regulation should be amplified and spelled out in more detail, or is he satisfied with it?

Mr. OUIMET: May I refer to the regulation?

Mr. BALDWIN: It is the regulation of December 9, 1959.

Mr. OUIMET: Number 7, (1) and (2)?

Mr. BALDWIN: Yes.

Mr. OUIMET: No, we believe the regulation as it is is satisfactory.

Mr. MACEWAN: Through the Chair, I should like to ask Mr. Ouimet if the corporation is satisfied with the 48-hour rule in regard to political broadcasts, or has he any comments to make on it?

Mr. OUIMET: Yes, I could comment on that question. Generally speaking, we do not feel strongly enough about this rule to come up with a recommendation but, since a recommendation has been made by the C.A.B., I might comment on it. We certainly have no objection to the 48-hour prohibition rule being removed. In a way we think the prohibition of 48 hours, applying only to radio and television and not to newspapers and magazines, seems to indicate greater concern about television, and probably this is well founded because of the great impact of radio and television. On the other hand, I think that radio and television, being mature mediums, do not need a special prohibition of this sort.

It has been suggested by some of our people that, if the 48-hour prohibition were entirely eliminated, parliament might consider the possibility of limiting political broadcasting over the weekend prior to a general election, so that there would be no political broadcasts after midnight on Saturdays. This would give a degree of rest to the broadcasters, as well as to the politicians and, of course, the public.

Mr. PICKERSGILL: I wonder if Mr. Ouimet or any of his colleagues have Mr. Varcoe's opinion on the meaning of section 17 (a)? Of course it was



not section 17 in the old Broadcasting Act. I think it would be very desirable to have this opinion read because, to the best of my knowledge, it was the last authoritative view, indeed, the only one given by the Department of Justice on its interpretation. It was given to the C.B.C. when it exercised the regulatory powers. It would be helpful to have it on the record.

Mr. OUMET: I have not got a copy of that interpretation but we can get one, or the B.B.G. can get it.

Mr. PICKERSGILL: Perhaps the B.B.G. are the proper people to ask for it now. Perhaps the chairman would ask them for it.

Mr. CHOWN: I was going to ask the same question as Mr. Pickersgill, and state that this opinion on section 17 (1) should be produced and tabled but, having the floor, I can now ask another question. If the 48-hour prohibition were relaxed or varied in any way, do you think we would get back to the old problem of "right to reply", so that you might run into a situation where someone drops a bomb at the last moment, the impact of which might be quite severe as regards a particular candidate and that the opposing candidate would not be able to get the time to reply?

Mr. OUMET: This, of course, is the reason why the prohibition was put there in the first place, if I remember correctly but I am suggesting that now there is perhaps less reason to fear that this would happen.

I suggest that this can happen in any case, with the new space allotments, and that this can happen at the last minute, and does happen. So, I do not see why we should treat the different media differently.

I have already said that we do not feel strongly about this. It is really the prerogative of parliament to decide whether or not there should be a 48-hour prohibition. The C.B.C. would be quite happy to work with a 48-hour prohibition; but on the other hand it has been recommended to this committee by others, and we are quite ready to go along with the recommendation.

Mr. CHOWN: You do not have the same economic interest as the others, and of course the newspapers are not as a rule published on Sunday in certain parts of the country; and in addition, elections usually take place on Mondays.

Mr. SMITH (*Simcoe North*): Is there not one difference between radio, television, and newspapers in relation to the 48-hour rule? Presumably all the parties have equal access to the last edition of the newspaper before the election, while television or radio has to be the last with an advertisement, or the last with a speech. On the other hand with your local radio, there would be local newspapers which can get their last message in the same newspaper, as it were.

Mr. OUMET: I believe there is a difference there, but a difference of degree. I do not know if it is fundamental though.

Mr. SMITH (*Simcoe North*): You do not know how fundamental it is, but you agree that there is a difference?

Mr. OUMET: Yes.

Mr. MACDONNELL: I believe there is a prohibition in the Lord's Day Act against noisy games on Sunday. Have you considered the effect of it?

Mr. OUMET: If this is a question of interpretation, I believe the Department of Justice should give an opinion.

Mr. PICKERSGILL: Surely Mr. Macdonnell is not suggesting that politics is not serious?

Mr. HORNER (*Acadia*): May I ask Mr. Ouimet if he does not think something, should be written into the regulations as to the amount of time spent upon political broadcasts, let us say, in a week? Has the C.B.C. had to turn down requests for free time local broadcasts during a week?



Mr. OUMET: Actually, the amount of free time that we give to a political party is determined at the beginning of the season or the year, and it is done in accordance with a formula. Everyone knows that this is the amount of time, and that there will be no more than that. It is decided in consultation with the parties, and usually it is the parties themselves that agree how they will divide it up among themselves; so that we do not have this problem as a recurring one.

On the other hand, I am sure that many of the parties at different times over the years have expressed the wish that there might be more free time available.

Mr. CREAGHAN: I believe this to be an appropriate question. Premier Bennett recently said that his party is going to contest actively in the federal by-election in British Columbia, in order to make it possible for the Social Credit party to take advantage of national television free time.

If the social credit candidate should be successful in British Columbia, might I ask the president how much time that party would be allocated on the national public network?

Mr. OUMET: You are speaking of a federal election?

Mr. CREAGHAN: Yes.

Mr. OUMET: Well, this will now be a problem for the B.B.G. to solve. But let me consult with my experts, we have a white paper on this. It is determined in consultation with the parties at the time of the election. Of course we have to abide with the general regulations of the B.B.G.; but the C.B.C. in consultation with the parties tries to arrive at a reasonable and acceptable allocation of time. However I could not tell you what the time would be ahead of such consultation.

Mr. CREAGHAN: Could you tell me if it is standing policy of the C.B.C. that if the social credit should elect one member to parliament, they would automatically have the right by law, or by precedent, to at least a certain percentage of broadcasts which are known as "The Nation's Business"?

The CHAIRMAN: Excuse me, a moment. Has this something to do with this act?

Mr. PICKERSGILL: Surely it is directly pertinent.

The CHAIRMAN: Very well, you may carry on.

Mr. OUMET: Are you speaking of a general election?

Mr. CREAGHAN: No. This is a by-election.

Mr. OUMET: Oh, a by-election. As you can well realize, this a fairly highly specialized field, and I believe we could give you a more intelligent answer if this was discussed when our specialists in political broadcasting are with us. You know, you have general elections, provincial elections, by-elections and free time, and then the general regulations applying to all stations.

Mr. CREAGHAN: The only reason I asked the question is that it is my interpretation, or the press report, that Premier Bennett stated as a fact that this success in a by-election would automatically give to him or to his party the right.

Mr. PICKERSGILL: Of course, even Mr. Bennett is not a court of law.

Mr. SMITH (*Simcoe North*): Or facts.

The CHAIRMAN: I think it would be best to wait until we have the experts on this particular policy before us.

Mr. HORNER (*Acadia*): Would Mr. Ouimet explain what is meant by regulation number 7, referring to political broadcasts, when it says: "each station shall allocate time . . . on an equitable basis to all parties and rival candidates"?

The CHAIRMAN: This is probably determined by the B.B.G. Would that not be so?

Mr. HORNER (*Acadia*): If so, I should like to have Mr. Ouimet say so.

The CHAIRMAN: This is what Mr. Ouimet said.

Mr. OUIMET: I believe any official interpretation of the B.B.G. regulations should be given by the B.B.G.

Mr. PICKERSGILL: I have a more fundamental question that I should like to put to Mr. Ouimet. Does he not think it preferable, from the point of view of the C.B.C., to have parliament lay down the regulations with respect to the amount of political broadcasting and the apportionment of time, instead of having negotiations between the C.B.C. and political parties, with some overriding jurisdiction by the B.B.G., which is the present situation?

Mr. OUIMET: The parties negotiate between themselves rather than with the C.B.C. We try to bring them together and say: "Now, we have to come to a proper allocation of time. Please try to get along." Generally speaking, it has not worked out too badly.

Mr. PICKERSGILL: That may be Mr. Ouimet's view but in the past I had some part in these negotiations—though not in recent times—and I do not agree with that view. In most cases a solution was imposed in the end by the C.B.C. That, of course, was when the C.B.C. had the regulatory powers and Mr. Dunton was the chairman.

Mr. OUIMET: Yes, mostly we would make certain suggestions to please all parties.

Mr. BALDWIN: Noting the word "licensee" in section 17, does Mr. Ouimet think the prohibition applies to wired television systems? But maybe this is not the time to ask that question.

Mr. OUIMET: My interpretation is that according to the present wording of the act, since the definition of broadcasting has been interpreted as not including wired systems, any section of the act automatically does not apply to wired systems.

Mr. CARON: My question has to do with free broadcasting time. Where there is a private station and a C.B.C. station, will free time be allowed by the C.B.C. in such an area?

Mr. OUIMET: Certainly; providing information on politics is one of the duties of the corporation to the public.

The CHAIRMAN: Miss Aitken, you had a question?

Miss AITKEN: My question has been answered.

Mr. MACDONNELL: Does Mr. Pickersgill think that a basis can be laid down for a division of time in such a way that there would still not be an area in which there would have to be agreement, and does he think it is worthwhile to try to cover every possible contingency by law?

Mr. PICKERSGILL: I quite agree with Mr. Macdonnell. I do not think every possible contingency could be provided for by law.

Mr. LAMBERT: If we are being asked to ride Mr. Pickersgill's hobbyhorse I should point out that members of the committee have other things to do.

Mr. PICKERSGILL: That raises a very fundamental point. I was asked a question by a very senior and responsible member of the committee about the subject now before us. This attempted closure is characteristic of certain political party members and it should not be characteristic of parliament. If I may resume—

Mr. LAMBERT: You are not a witness.

Mr. PICKERSGILL: I am not a witness but I understand there is freedom of speech in this committee, and the same rules apply to this committee as in the committee of the whole. Having the floor, I have half an hour to speak, if I wish to do so.

The CHAIRMAN: I hope not.

Mr. PICKERSGILL: I do not intend to do so but, to come back to the point, obviously there would have to be some detailed statement in some other way, but I do suggest it would be desirable. I suggested many years ago, that it is an improper function for the broadcasting authorities, either the B.B.G. or C.B.C., to have to decide this kind of question. The fundamental rule should be laid down by parliament.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: Do you see anything in section 17 (1) (a) to prevent the kind of face-to-face debate that took place in the American presidential election?

Mr. OUIMET: I do not believe there is, but again this would be for the B.B.G. to give their own interpretation on that section of the act. It is my understanding that the B.B.G. do not believe this would be a contravention of section 17 (a).

Mr. FISHER: In regard to the regulations extending from this section, have you found any difficult in the matter of holding transcripts, video tapes or just tapes of broadcasts, in terms of storage and keeping track of them?

Mr. OUIMET: No, not as far as I know. This is a regulation and we have abided by it. We have been doing it.

Mr. FISHER: The reason I bring this up is because in radio and television sometimes a speaker goes over the time allowed. Mr. Pearson, when speaking at the recent Liberal rally, is a typical example of that. He departed from the script. I think everyone has to do that at various times and, therefore, the actual filing of a script is not quite an exact replica of what was said. I wonder what would Mr. Ouimet think of a regulation requiring the storage of a tape of every broadcast, instead of a script.

Mr. OUIMET: Unless there is a new one, there is no regulation that says there must be a script but, of course, we must have a transcript, or a tape or a recording of some kind to keep in our archives, which we can produce if we are asked.

Mr. FISHER: My point is that a script often is an incomplete or inaccurate record of what took place and I wonder would you consider the possibility that a tape of an actual broadcast would be a much better record to keep?

Mr. OUIMET: I would agree, but in many cases we can use a script as a record of a broadcast if we make sure the script is corrected to reflect exactly what the speaker said.

Mr. CARON: But, on that same point, it would be rather easy to have a tape every time there is a recorded speech?

Mr. OUIMET: The regulation, as it reads now, states:

Unless otherwise instructed by the board each station shall have available for a period of six months and produce to a representative of the board on request, (a) the continuity used for any program, spot or flash announcement broadcast by that station, and

(b) the manuscript or audio reproduction of any broadcast of a talk or speech from that station.

Perhaps the B.B.G. could give you additional information on that but, so far as the C.B.C. is concerned, this has not presented any problems.



Mr. LAMBERT: In that connection is there not a rule that a script must be filed with the corporation ahead of time for the purpose of having it vetted because, if something improper goes on the air, it is a case of locking the stable after the horse is stolen?

Mr. OUMET: You are quite right, Mr. Lambert. We generally try to get scripts because that facilitates our work, but it has never been made a regulation. The responsibility is still that of the producer to make sure nothing libelous or illegal is said.

Mr. CARON: But even if you do get a script ahead of time the broadcaster can change his script and say something else. If a tape were made of each broadcast it would be correct and could be filed?

Mr. OUMET: I would agree entirely. A form of recording is a much safer and more accurate way of having a record of what is said. There is no doubt about that.

Mr. FISHER: May I ask some of the lawyers, is a recording recognized as a proof or a suitable vehicle on which to lay a charge of slander?

Mr. BALDWIN: If you can tie it up and prove that it is.

Mr. SMITH (*Simcoe North*): Having regard to providing tapes or other forms of recording in the case of paid political broadcasts, and having in mind that I might be involved in this, would it not add to the expense of the person broadcasting if a tape had to be made and kept? Would that not add to my costs?

Mr. OUMET: You are perfectly right, Mr. Smith. I believe this cost would have to be charged to someone and I imagine it would be charged to the political party asking for the broadcast. I believe this is one of the reasons why scripts are acceptable.

Mr. PICKERSGILL: I should like to ask Mr. Oumet if he, or any one of his legal advisers, feels that the C.B.C. has any legal right—I am not asking whether they do or not—to censor political broadcasts before they are delivered?

Mr. OUMET: May I first say that we do not censor political broadcasts before they are delivered. Whether we have a legal right to do so is another question, but I think we have a legal right to make sure that no one commits slander or libel on the air, which would automatically make the corporation liable with the person broadcasting.

Mr. PICKERSGILL: Could we have an opinion from the solicitors of the C.B.C. about the question I actually asked?

Mr. A. H. M. LAIDLAW (*General Counsel of the Canadian Broadcasting Corporation*): Yes, in my view the C.B.C. as publisher of the broadcast would have a legal right to check what was going out over the air.

Mr. MACDONNELL: I think my question has been answered but I believe we have had two contradictory statements, one that the station was responsible to see nothing was slanderous and the other that they did not actually exercise that duty.

Mr. OUMET: Has Mr. Laidlaw any comment to make on that?

Mr. LAIDLAW: I emphasize that the station has a legal right, and the C.B.C. is a series of broadcasting stations. As a matter of policy, I understand, this right is not used, as it were, in the case of political broadcasts.

Mr. BALDWIN: Would Mr. Laidlaw agree that, in dealing with political broadcasts, there is a very wide scope provided by qualified privilege? In other words, the rules allow a lot to be said in political broadcasts which is not slanderous.

Mr. FISHER: Mr. Ouimet, do you remember the talk you and I had about the Michel Chartrand case about two years ago?

Mr. OUIMET: I remember the case pretty clearly but I do not exactly remember the conversation we had.

Mr. FISHER: It was under this section and its regulations that you refused to rebroadcast that particular program.

Mr. OUIMET: We thought that Mr. Chartrand's original broadcast contained certain statements which might place the corporation in a difficult legal situation.

Mr. FISHER: You did not feel at the time that because the broadcast had already been made it might encourage the people slandered to take proceedings if there was a rebroadcast?

Mr. OUIMET: In such a case you have to balance the risks, and our decision in this case was proven right enough because nothing happened.

Mr. PICKERGILL: I am glad Mr. Fisher asked that question because I think it may give more point to the one I am about to ask. Does the C.B.C. not think it would be desirable to have an amendment made to the Broadcasting Act to remove any legal liability from the C.B.C. for the utterances of politicians on political broadcasts, and put the liability exclusively on the politicians themselves, so that this invidious right the C.B.C. now have to censor politicians, which I think is intolerable in a free country, would not exist any more?

Mr. SMITH (*Simcoe North*): I should like to comment on that—

Mr. PICKERSGILL: Are you going back on the old argument that it is the difference between a Liberal and a Tory?

Miss AITKEN: Does the C.B.C. demand to see political scripts?

Mr. PICKERSGILL: Could I have an answer to my question?

The CHAIRMAN: Miss Aitken, perhaps you will postpone your question.

Mr. OUIMET: I am trying to find an answer for Mr. Pickersgill. Frankly, I do not think the C.B.C. would have any views on this. I think this is entirely up to parliament.

Miss AITKEN: Does the C.B.C. ask to see every political script before it is broadcast?

Mr. OUIMET: No.

Mr. SMITH (*Simcoe North*): I should like to ask Mr. Laidlaw a question in relation to the liability of the C.B.C., or other radio stations, for slander and libel. Do you consider your position is different from any other publisher?

Mr. LAIDLAW: No, sir.

Mr. CARON: I have a question on the same subject. Do you think there is a big difference between the newspapers and the broadcasting stations in this regard? In the case of newspapers their material is written ahead of publication and they have time to check it but, in broadcasting, even though scripts are supplied the broadcasters can change their written speeches with no control from the broadcasting stations. I believe there is a big difference between the two.

Mr. OUIMET: That is correct. There is certainly quite a difference in the degree of control that can be exercised, and it is quite possible that a person coming to deliver a political speech, even if he has a script, might actually start changing it completely, but, even though it is changed, it may still be a perfectly proper speech to deliver.

Mr. LAMBERT: But the station has control?

Mr. OUIMET: The station, according to the present regulations, is still responsible as the publisher of that particular speech.



Mr. CARON: But, even if a station has the right to cut a speech, it is only after the broadcaster has said something while he is on the air. This does not happen with newspapers, and you are still liable for what has been said.

Mr. OUMET: We are responsible to make sure that all the rules of the game are discussed with the speaker beforehand and, generally speaking, there has not been any great difficulty in that respect. In the last two or three years during which I have been dealing with these things, only one case has come up and it has already been discussed here this morning.

Mr. FISHER: I do not know about Mr. Pickersgill's distinction between a Liberal and a Tory and I hesitate to give an example from my own constituency which would show the Liberal in a most peculiar light. I think that would be a most invidious thing to do.

Mr. CHOWN: Oh, go ahead.

The CHAIRMAN: This is not being broadcast.

Mr. CHOWN: You are the only one who could do it graciously, Mr. Fisher.

Mr. FISHER: It happened like this. The Liberal candidate in 1957 was a fairly well known man and he had the last telecast of the campaign. In his last paragraph of his television speech he revealed that one of his rival candidates was surrounded by a certain number of communists who had made things so unhealthy in the bush that men were living in fear of their lives. When the broadcast ended one of the organizations accused of this decided it was going to sue for libel or slander, whichever happened to be the case, but the organization was unable to get a hold of the particular tape of the broadcast because a tape was not made and a script had been filed which did not include the particular statement I am talking about. That is why I should like to come back to the point made by Mr. Caron, that it is necessary to have a tape of every broadcast.

Mr. OUMET: I think I can say that the C.B.C. would have no objection to such a rule, since in practice we do make a tape of every broadcast.

Mr. FISHER: I have one other question on a different topic. What part of the regulations allows you to prevent your network affiliates from getting released from the network in order to present local programs of a political partisan kind?

Mr. OUMET: I do not believe this is a matter of regulation or of a clause in the act. It has been a matter of policy of the corporation.

Mr. FISHER: Could we have a statement of the policy because this has created bad feeling in certain regions. Unless the C.B.C. is prepared to give its affiliates clear time, it means that local politicians are blocked off into some ungodly hours in order to reach their public. If we knew what your policy was, it would be better for everyone.

Mr. OUMET: Generally speaking, our policy is this: If the local station has other time—and generally it has time between six and eight o'clock—apart from network time between eight and eleven o'clock, then there is some prime time available for local political broadcasts.

Mr. FISHER: What do you consider prime time? Is not prime time between seven and eleven o'clock?

Mr. OUMET: I would say so, yes, and certain other times on Sundays and Saturdays.

Mr. FISHER: I can think of two affiliates which are, let me say, short of time because of their network responsibilities in that period.

Mr. CHOWN: Perhaps you had better name the affiliates.

Mr. FISHER: Port Arthur is one, because of its time zone, and Timmins is another.



Mr. OUIMET: On page 4 and 5 of the B.B.G.'s statement of policy for political and controversial broadcasting, it states: "During federal and provincial election campaigns no station will be granted release for political purposes from time reserved by the C.B.C. for the broadcasting of its sustaining or commercial network programs."

Mr. FISHER: This is just the very point on which I would like some views. It seems to me this is not fair to the politicians on the local scene. I am not speaking from the point of view of my own party. I think this applies to all parties.

Mr. PICKERSGILL: This problem would not arise at all if we did not have this paid political broadcasting which should be ended anyway.

Mr. SMITH (*Simcoe North*): Speaking as a Tory, I never could afford to buy time.

Mr. PICKERSGILL: Speaking as a Liberal, I might say the same.

The CHAIRMAN: Perhaps we could pursue this when we reach the matter of policy in the B.B.G. regulations.

Mr. FISHER: I am glad to hear about all these poor people.

Mr. SMITH (*Simcoe North*): I have a question on the libel and slander feature. Does Mr. Laidlaw agree that in a political context the laws and privileges in respect of libel and slander are much broader than they may be in respect of a private context?

Mr. LAIDLAW: Yes.

Mr. BALDWIN: In respect of these political broadcasts would Mr. Ouimet agree there is always a hand at the switch prepared to cut off the speaker if he goes too far off the beam? Secondly, is there a method or technique known as delayed broadcasting whereby there is an interval of time which elapses before the speaker is on the air?

Mr. OUIMET: Of course there always is the switch which can be used, although it has to be used with a great deal of discretion, obviously. As to the second part of your question, generally we encourage political speakers to broadcast live and not to delay their broadcasts. We believe it produces a better program.

Mr. BALDWIN: I did not have tape in mind. I have been told there is a method whereby there is a delay of an interval of time.

Mr. OUIMET: I wish you were right, but nobody has invented a delaying device which would permit a broadcast being delayed, say, for one, two or three seconds in order to catch some particular word which should not have been uttered. There is no such thing, except by recording on tape, which would be played back later.

Mr. PICKERSGILL: I would suggest if the C.B.C. have any favourite candidates they want to elect in the next election that they pull their switch in the middle of the speech and they would be sure of electing them.

The CHAIRMAN: Are there any further questions on section 17?

Mr. BALDWIN: I am told there is a method being used now. Mr. McGee tells me there is a method being used in which a delay occurs.

Mr. FISHER: Let us hear from Mr. McGee.

The CHAIRMAN: Do we have the unanimous consent of the committee to hear Mr. McGee?

Mr. PICKERSGILL: Is he a member of this committee?

The CHAIRMAN: No.

Mr. PICKERSGILL: I agree.

An hon. MEMBER: Let us hear him.

Mr. McGEE: This system is used on at least one Toronto radio station. I think the program is called "Night Line". Persons phone in offering opinions concerning what is going on in the area that day. As a precaution against a person, unidentified at the other end of the line, using abusive language or making a slanderous statement, the whole proceedings immediately are put into a device which, in effect, produces a lapse of about 12 seconds which allows the master of ceremonies hearing this over the telephone to prevent this abusive language or slanderous statement being transmitted over the air. From a technical point of view I do not know what is the technique. At the present time, however, it is in use on at least one radio station.

Mr. OUMET: I think I know what you have in mind. It would be simply a form of continuous recording and delay, still on magnetic tape, and perhaps the use of a loop, where you would record what is said and just play it back. It is still a delaying device by means of recording. That is what led me to say what I said before. I was thinking really of something that we searched for, when I was in engineering; that is, a sort of circuit which would provide this delay automatically. I think, however, that it could be done the way you suggest.

The CHAIRMAN: Are there any questions on section 17?

Are there any questions on section 18?

Section 19?

Mr. PICKERSGILL: May I ask if the C.B.C. is satisfied with the kind of report the B.B.G. is making to parliament?

The CHAIRMAN: That is a loaded question.

Mr. PICKERSGILL: I do not expect an answer.

The CHAIRMAN: Are there any questions on section 20?

We have completed part I of the act. We will proceed to part II, section 21.

Mr. FISHER: I have a question in respect of subsection (c) in connection with the directors of the corporation. Do you feel that you now have proper regional representation?

Mr. OUMET: We have a representative from British Columbia, one from Alberta, none from Saskatchewan, one from Manitoba, two from Ontario, two from Ottawa, two from Quebec, one from New Brunswick, one from Nova Scotia, and none from Newfoundland or Prince Edward Island. We do not have complete provincial representation but I believe we do have fairly good regional representation.

Mr. FISHER: Is there anyone who represents a region served largely by low-power relay transmitters?

Mr. OUMET: Yes. British Columbia has the greatest number of low-power relay transmitters. The representative is Mrs. Carter.

An hon. MEMBER: Where does she live?

Mr. OUMET: In Salmon Arm.

Mr. PICKERSGILL: I would like to make a comment on Mr. Ouimet's reply. Obviously the reason there is no representative on the board from Newfoundland is, they ran out of Tories there.

Mr. FISHER: There has never been any representative on the board from northwestern Ontario.

Mr. PICKERSGILL: For the same reason.

Mr. FISHER: Yes.

The CHAIRMAN: Are there any other pertinent questions?

Mr. FISHER: The Liberals were not any kinder to northwestern Ontario than the Conservatives.

Where is this gentleman, Mr. Dunsmore?

Mr. OUIMET: Mr. Dunsmore is the chairman of the board of directors.

Mr. FISHER: Does he receive any extra recompense for that?

Mr. OUIMET: As chairman of the board of directors he is paid his fees for attending board meetings.

Mr. FISHER: Does he live in Ottawa?

Mr. OUIMET: No. Of course this is not a full-time chairmanship such as we had before 1958. This is a part-time chairmanship of the meetings of the board.

Mr. PICKERSGILL: Nor is it a legal appointment.

Mr. FISHER: Is Mrs. Aitken still one of your directors?

Mr. OUIMET: Yes.

Mr. FISHER: This would not be a good time to ask about the Aitken survey, would it? I will let that go.

Mr. CHOWN: That is my question; it is on the record.

The CHAIRMAN: Are there any other questions on section 21?

#### Section 22?

Mr. BALDWIN: Mr. Chairman, there is a question I would like to ask which refers to a suggestion made by the corporation. There is a suggestion that there should be a new official known as the chairman of the board of directors. I would like to know if that is in addition to or as an alternative to the present? I am looking at the comment on page four of the brief.

Mr. OUIMET: The chairman of the board of directors, Mr. Dunsmore, was elected to his present position at the meeting of the board in June of 1959. The recommendation we are making simply recognizes that fact. The board feels that while this election did not do violence to the act in any way, there has been quite a lot of discussion outside, and in order that this may be brought to a close we are suggesting a new clause be added to the act.

Mr. BALDWIN: That is in view of the fact that the act now makes no provision for a chairman at all.

Mr. OUIMET: The act is silent.

Mr. SMITH (*Simcoe North*): It makes no explicit provision.

Mr. PICKERSGILL: Before purporting to elect Mr. Dunsmore as chairman, did the board get an opinion from their own solicitor or from the Department of Justice as to whether or not they had the power to do so under the act?

Mr. OUIMET: No. At the time of the election I do not believe this was done.

Mr. MACDONNELL: Is there both a president and a chairman?

Mr. OUIMET: Yes. There is both a president and a chairman, as, of course, is the case in many other companies.

The CHAIRMAN: Are there any further questions on section 22?

Mr. CARON: In subsection (4) I see that the age for retirement is seventy. Are there any directors who have attained that age? There was one with the B.B.G.

Mr. OUIMET: I do not believe there is anyone of that age, or that there will be for a few years.

Mr. PICKERSGILL: Have steps been taken to get all of the birth certificates?

Mr. OUIMET: No. We have not asked for birth certificates because we did not feel there was any need to do so. It is very difficult to ask young-looking ladies whether they are seventy.



The CHAIRMAN: I wonder if you would allow Mr. Ouimet to make some remarks in respect of subsection (2). I think he has some suggested amendments.

Mr. OUMET: We made two recommendations. The first one in connection with 22 (1) I think is important. We recommended this clause be changed to read:

"There shall be a corporation to be known as the Canadian Broadcasting Corporation consisting of a president, a vice-president and eleven other directors to be appointed by the governor in council."

This increase in the total number of directors from eleven to thirteen is recommended in order to allow greater flexibility of geographical representation and more adequate representation of the French language. We believe this is an important recommendation. Particularly we think that an increase in the number of directors would enable the board to give more thorough supervision, particularly of French language operations. It certainly would bring to the board a greater variety of opinions than is possible now, with only two French-speaking directors, the president and Mr. Dupuis.

Mr. PICKERSGILL: Are you suggesting that none of the other directors are French-speaking?

Mr. OUMET: I am sure that all of them can take care of themselves in the other language. Most of them however, come from areas where French-language programs are not shown.

There is another point I would like to make. If parliament agrees that this recommendation is a good one, I think that any additional French language representation should be chosen from areas where French-language programs can be heard and seen. What we want is opinions about our French-language programs.

Mr. SIMPSON: Has the board ever considered adding a director from the areas not now served by television?

Mr. FISHER: Hear, hear.

Mr. OUMET: It would be difficult to have one director represent all of the isolated areas across the country.

Mr. SIMPSON: One from the few which are not served.

Mr. MACDONNELL: Is there a recommendation that section 22 (1) be amended in respect of the chairman?

Mr. OUMET: The recommendation of the board is that there be no change in section 22 (1), but that an addition be made to the act at a suitable point, perhaps as section 22 (7) or something like that, or perhaps it might be a part of section 23. The recommendation as contained in our submission to you is that a clause be added having the following effect:

"The chairman of the board of directors shall be elected by and chosen from the directors at the annual meeting of the corporation and his duties shall be as defined by the board."

But the board does not propose any change in section 21 (1). This matter was thoroughly discussed by the board. The only recommendation is in respect of the number of directors.

The CHAIRMAN: Are there any questions on section 22 (2)?

Mr. OUMET: We have a recommendation here. I believe this is a recommendation on a matter which already has been thought of by others. All our directors, except the president and vice-president, were appointed for a term of three years. The original clause as drafted anticipated the rotation problem but, since everyone was appointed for three years, the clause would have to be changed in order to ensure continuity in the future. As it stands now, all of

the directors could be reappointed for another term, but at the end of that term the whole board would have to be replaced. I would like to stress the importance of not replacing a whole board en bloc. There would be somewhat of a difficult situation if a corporation had its board changed completely.

Mr. PICKERSGILL: Have any vacancies occurred in the board?

Mr. OUMET: No.

Mr. CHOWN: Would you file the attendance record of the members of the board at the meetings?

Mr. OUMET: We would be pleased to do so. The record of attendance has been good.

The CHAIRMAN: Are there any questions on section 22, subsection (3)?

Mr. OUMET: We have no recommendations in respect of subsection (3).

The CHAIRMAN: Subsection (4); subsection (5)?

Mr. CARON: In the last line of subsection (5) it says: "pecuniary or proprietary interest in a broadcasting station or in the manufacture or distribution of radio apparatus". Has the C.B.C. made any suggestion which would clarify those words?

Mr. OUMET: Yes, we have. We believe the present wording is unduly restrictive. As a matter of fact, I think it is well known that one of our directors was the owner of a large department store, and of course in his department store there is a department which sells radios and television sets. There was a question in our minds as to whether or not this was contrary to the present regulation. We felt, however, that surely it was not the intent of the act to restrict membership of the board on such grounds. We have suggested that the wording be changed so that this kind of interest, which is very remote, in the distribution of radio apparatus not be considered as a bar to qualifying as a board member.

Mr. CARON: Have you suggested something to replace it?

Mr. OUMET: We have not suggested any wording, but one way would be to say wholesale distribution of radio apparatus.

Mr. CARON: Wholesale?

Mr. OUMET: Yes. That would be one way. I imagine there might be many other ways of doing it.

Mr. FISHER: In regard to the phrase "in the business of broadcasting," do you construe that as meaning that Dr. Morton, of your board, should not engage in panel discussions and that Mrs. Aitken could not take place in broadcasting for CHUM.

Mr. OUMET: No, not at all. We believe "engaged in the business of broadcasting" means actually engaged on a regular basis in a business way, and does not include participating as a panelist or interviewee on a program.

Mr. FISHER: What about a director who might be considered radio talent or television talent?

Mr. OUMET: In that case, of course, if we had a director who was radio or television talent to the extent that he might wish to appear on our programs, then there would be a problem and probably he would not be allowed.

Mr. FISHER: I am not thinking so much of appearing on your programs but of appearing on private radio programs.

Mr. OUMET: Then, in that case I believe it would be wise for the director to consider whether he wants to be a director, an independent director of the C.B.C., or whether he wants to be an artist and appear regularly on programs.

Mr. CARON: Before we reach section 23 may I rise on a question of privilege? I have here a letter written by Mr. Ryan answering what I said in this committee at a previous meeting, that radio stations and newspapers were doubling the price of their political advertising. I think I made a mistake at that time. I should have said "most" because CFRA state they did not double their rates and I have read in the *Toronto Daily Star* that they did not double theirs. Therefore, I would like to correct the statement I made at that time. It should be "most stations and newspapers."

The CHAIRMAN: Then, section 23, head office. I believe Mr. Ouimet has a recommendation on this section.

Mr. OUIMET: On section 23 subsection (2), we suggest that, if the number of directors is increased from 11 to 13, parliament should consider the advisability of increasing the quorum accordingly, but we are not specific in our recommendation.

Mr. CHOWN: Agreed.

Mr. FISHER: The head office of the corporation is on Wellington street. Is that correct?

Mr. OUIMET: That is correct.

Mr. FISHER: In the Victoria building. Later, when you come before us on operations, could you tell us what are your plans for a more permanent head office?

Mr. OUIMET: We shall be pleased to do so.

The CHAIRMAN: Then, section 24—president and vice-president.

Mr. BALDWIN: I should like to ask Mr. Ouimet, in regard to his suggestion of creating the new office of chairman of the board of directors, is that intended in any way to be a derogation of the powers of the president as chief officer of the corporation, which powers are given to him by the act?

Mr. OUIMET: It is not the intention of the board to do that. Of course the board, in defining the duties of the chairman, must make sure that these duties do not conflict with the responsibilities given to the president, as chief executive officer of the corporation and as the head of the corporation.

The CHAIRMAN: Are there any further questions under section 24?

Mr. CREAGHAN: I have a question but I do not know whether it should come under section 24 or section 26. I should like to know how many vice-presidents the corporation has. I know one is appointed by order in council, but I assume you have many more than one?

Mr. OUIMET: Of course, in a corporation of our size there would be more than one. There is the vice-president provided for by the act and we have five other officers who have the title of vice-president.

Mr. CREAGHAN: Is the vice-president the active head of a department?

Mr. OUIMET: Actually they are what we call in modern organization, group executives, and under them they have a number of departments.

Mr. LAMBERT: The authority for that is under section 31.

Mr. CREAGHAN: I do not question the authority. I merely wished to know how many there were.

Mr. MACDONNELL: Your recommendation is that the duties of the chairman "shall be defined by the board". That is left entirely to the board, but should there be any reference to it in legislation?

Mr. OUIMET: The recommendation of the board is that the duties of the president, already being defined in the act in a very general way, should remain as they are but that, in addition, a clause should be added which would allow the board to elect one of its directors as chairman and to define



his duties. The recommendation is specific, and that is that the board be left with the responsibility to define the duties of the chairman. However, as I said before, obviously these duties must not be such as to conflict with the duties given under the act to the president.

Mr. MACDONNELL: Will they be real?

Mr. OUIMET: Yes, real.

Mr. CHOWN: At the next meeting would Mr. Ouimet table the names of these five vice-presidents and the departments for which they are responsible, so that they could be added as an appendix to our report?

The CHAIRMAN: Yes, that will be done. Are there any further questions under section 24? Then, since we have finished this section perhaps I may say that I thought we might be through by today, and that we would have all next week off because of the meeting out on the west coast. However, Mr. Ouimet assures me that if we do not finish with the act today we can carry on next week, as he is not going to the meeting on the west coast. Therefore, we shall have our regular meeting again next Tuesday, from 10 to 12 o'clock.

Mr. CHOWN: Before the meeting closes I wonder may I ask for some more statistical information. I should like to know the number of employees in radio and television for the years 1950 up to the present time, and the gross wages and salaries paid to them over that period of time.

Mr. OUIMET: Mr. Chown, we can give you that statistical information. As a matter of fact, I had proposed that when we came to the question of staff to bring you up to date on all these vital statistics about the corporation.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

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TUESDAY, MARCH 14, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. A. H. M. Laidlaw, General Counsel; of the Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield,

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Fortin	Morissette
Allmark	Horner ( <i>Acadia</i> )	Pickersgill
Baldwin	Keays	Pratt
Bourbonnais	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Simcoe North</i> )
Fisher	McQuillan	Tremblay
Forgie	Mitchell	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*



### CORRECTIONS

Page 205—fifth paragraph, in first line thereof, insert article “a” between the word “and” and “French”.

Page 220—about half-way down, after “Section 22?”—first interjection by Mr. Baldwin, in the fifth line thereof,—substitute the word “president” for the word “present”.



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, March 14th, 1961.

(10)

The Special Committee on Broadcasting met at 10.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Baldwin, Caron, Chown, Creaghan, Fairfield, Fisher, Horner (*Acadia*), Keays, Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, Mitchell, Pickersgill, Pratt, Pugh, Regnier, Robichaud, Simpson, Smith (*Simcoe North*), Tremblay, Webb.—(23).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry MacDonald, Executive Assistant.

In opening the proceedings the Chairman informed the Committee that a return had been tabled by the Canadian Broadcasting Corporation showing the number of the Board of Directors and record of attendance of each Director for 1958, 1959 and 1960, as requested by Mr. Chown on Thursday, March 9th, 1961.

The Committee resumed from Thursday, March 9th, the adjourned section-by-section review of the Broadcasting Act, 1958, with Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, assisted by Captain W. E. S. Briggs and Mr. A. H. M. Laidlaw, under continued questioning.

Part of these proceedings were conducted in English and French.

In the course of his examination the witness undertook to supply the Committee, at the earliest possible date, with returns concerning personnel employed by the Canadian Broadcasting Corporation, in compliance to a request by Mr. Pratt, and other related information sought by Messrs. Smith (*Simcoe North*), Simpson, Keays, and Pugh. (See pages 234, 235, 237, 240 and 246.)

Further study of Section 29 of the Act was left in abeyance until such time as the Committee proceeds with its inquiry into the administration of the Corporation.

And the examination of Mr. Ouimet still continuing, it was postponed until the next sitting.

At 12.00 o'clock noon the Committee adjourned to meet again at 9.30 o'clock a.m., on Thursday, March 16, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

TUESDAY, March 14, 1961.  
10. a.m.

The CHAIRMAN: Gentlemen, we now have a quorum.

Some reports were asked for at the last meeting but they are not all completed as yet. One, which shows the number of meetings of the board of directors and their record of attendance, is now being distributed. This is just a statistical issue and it can, no doubt, be taken as read:

### BOARD OF DIRECTORS ATTENDANCE

	1958	1959	1960
	Per Cent	Per Cent	Per Cent
J. Alphonse Ouimet, president .....	100	57	100
E. L. Bushnell, vice-president .....	100	57	—
Capt. W. E. S. Briggs, vice-president	—	—	100
Mrs. Alixe Carter .....	100	100	100
Mrs. Ellen Armstrong .....	100	86	100
Dr. W. L. Morton .....	100	100	66
Mrs. Kate Aitken .....	100	100	100
Raymond Dupuis .....	100	100	83
C. W. Leeson .....	100	100	100
R. L. Dunsmore .....	100	100	100
R. W. Ganong .....	100	100	83
Dr. C. B. Lumsden .....	100	100	83
Number of Meetings .....	1	7	6

We have not the interpretation by the Department of Justice, asked for by Mr. Pickersgill, but we hope to have it for our next meeting. In regard to the names and particulars of vice-presidents of the C.B.C., and so on, asked for by Mr. Chown, these are being put into the two languages for distribution to the committee and we shall have them shortly. Also, information on the number of employees in television and radio since 1950, and on their gross salaries, will be submitted later and will be distributed to the committee as soon as possible.

The committee had completed section 24 of part 2 of the act. We shall now go on to section 25, remuneration. Are there any questions under this section? Mr. Ouimet says he has a recommendation dealing with it.

Mr. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): Our recommendation has to do with subsection 2 of section 25. The present wording of the subsection reads as follows: "Each director is entitled to be paid reasonable travelling and other expenses incurred by him in the performance of his duties while away from his ordinary place of residence." We believe that this wording is unduly restrictive in that it prevents a director from being reimbursed for legitimate expenses incurred in the performance of his duties in the community in which he resides. For example, one can imagine a director having to make a long distance phone call when he is in his own town and, under the strict interpretation of the present wording, he might not be able to claim for that expense.

The CHAIRMAN: Are there any questions?

Mr. PICKERSGILL: I should like to put one question to Mr. Ouimet. Is the C.B.C. suggesting that there should be any additional remuneration for a chairman of the board who is not the president of the corporation?

Mr. OUIMET: No; the corporation has not made that recommendation at all. Of course, all directors when they attend committees of the board, as well as the board meetings themselves, are paid fees.

The CHAIRMAN: Are there any other questions under section 25? If not, we shall go on to section 26—staff.

Mr. HORNER (*Acadia*): Under section 26, subsection (1)—employment of staff—would Mr. Ouimet say if he has unlimited power in the determination of conditions related to the hiring of staff? Is it your interpretation that under this subsection you can hire whomever you please, under any terms and conditions you please? Am I right in that interpretation?

Mr. OUIMET: Of course within reason, and as long as we do not violate any of our own by-laws or regulations.

Mr. HORNER (*Acadia*): Continuing that line of questioning, there have been some charges made in the House of Commons with regard to subversive programming and the employment of what might be termed subversive people—the possibility of their being employed by the C.B.C. I was wondering whether or not, under section 26, something should be written in to the effect that persons hired by the C.B.C. should be screened as to the possibility of their being communists?

Mr. OUIMET: I believe this problem has not been a serious one for the corporation, in that we follow exactly the same procedures as all other federal agencies in this respect. For certain kinds of positions, where the responsibility might involve the choice of subjects or the choice of commentators—in other words, where there is a program responsibility involved or where there is the question of the security of our own transmitters—in those cases we have our prospective employees screened by the proper authorities, the same as is done in any other federal agency.

Mr. HORNER (*Acadia*): I was not thinking about the security of your transmitters. I am sure most of the members of the committee heard the member who spoke on this subject in the house and I believe he was thinking more about the security of Canada as a nation, and the impact which television and radio can have. I am speaking about the deteriorating effect which this can have upon the freedom of the Canadian people and am wondering if something should be written into this section to provide that all personnel hired by the C.B.C. should be screened to determine whether they have communist affiliations.

Mr. OUIMET: I do not think this is necessary. In the first place, I do not think there has been the risk you seem to describe and, furthermore, I think our present arrangement is entirely satisfactory. It has worked over the years and, in effect, we do get all people placed in sensitive positions cleared by the proper authorities.

Mr. HORNER (*Acadia*): I do not wish to prolong this line of questioning but on page 1494 of *Hansard* you will read what the member said.

Mr. FISHER: May I ask what member?

Mr. HORNER (*Acadia*): Mr. Carter.

Mr. FISHER: Burin-Burgeo.

Mr. HORNER (*Acadia*): Yes.

Mr. FISHER: The Liberal member?



Mr. HORNER (*Acadia*): The Liberal member, and he seemed to think there was a definite infiltration, and that there was a grave danger this would continue and undermine our freedom. I think he has a point and I believe there should be something written into the act. It would do no harm. Do you agree with me, Mr. Ouimet, that it would do no harm to the C.B.C. to have personnel screened?

Mr. OUIMET: Let me first deal with your statement regarding Mr. Carter's speech in the house. I hope we shall come to that in due time, when we are analyzing the operations of the corporation. I believe Mr. Carter's statement was of a general nature and was entirely unproven, and I hope that when we come to discuss it we shall be able to discuss something more specific. I simply deny such a charge has any foundation whatsoever.

Mr. HORNER (*Acadia*): To come back to my last question, would it do any harm to have such a clause written into the act dealing with the screening of staff?

Mr. OUIMET: I believe it would do harm to the corporation to single it out for this sort of specific treatment, when actually it is not necessary. I have already told you that we do have our employees screened when such employees are engaged in any of the sensitive areas of the corporation.

Mr. McGRATH: I wonder if Mr. Ouimet could tell us if there is anything in the regulations determining staff to prevent a member of the staff from being a member, or subscribing to a so-called communist front organization, a communist organization or a subversive organization?

Mr. FISHER: What are they? There is no list of them.

Mr. McGRATH: The Canadian peace congress.

Mr. OUIMET: There is nothing in our rules, but it is a matter of common sense in determining the competence of the men or man to discharge a particular responsibility. Of course, if we have a news service we do not place in it people who have those strong views about ideology that you get in one extreme camp or the other.

Mr. McGRATH: Let me add another question, Mr. Ouimet. For example, you have pacifism, which is usually found amongst these people. When the people of Canada are in the middle of the cold war there are still pacifists in the country and I am sure you will agree that members of your organization could influence the Canadian people in this regard. What steps do you take to preclude that?

Mr. CARON: Would you define pacifism?

Mr. OUIMET: There is no regulation which says that a pacifist cannot be employed by the corporation, but, there again, I think it is a question of judgment in the determination of the assignment of responsibility. If we have a pacifist who is so strong in his views that he might influence our programs he should not be allowed to do so, and it is our job to make sure that there is no influence of such a nature on our programs.

Mr. CARON: Is there a clear definition of pacifism?

Mr. OUIMET: There has not been any tradition of pacifism in the corporation. I believe we have tried to reflect all the significant points of view of the country.

Mr. PICKERSGILL: I want to ask Mr. Ouimet whether I correctly understand him to say that any prospective employee of the C.B.C. would be screened on exactly the same basis as a prospective employee of the civil service but that, if the employee was going to have a purely routine job, that is not done? If an employee was going to have a job involving real

responsibility, and particularly anything remotely connected with security, he would be screened on just the same basis as a prospective employee of the civil service?

Mr. OUMET: What you say, Mr. Pickersgill, is correct. Many years ago we used to have everybody screened. That, however, made so much work for the authorities doing the screening that they asked us to limit our demands to the positions that are sensitive or vulnerable.

Mr. PICKERSGILL: In other words, the corporation feels it is bound by the security policy now followed by the government?

Mr. OUMET: Of course.

Mr. FISHER: I just want to put on the record that there is no list of subversive organizations. I have been trying to get one from the R.C.M.P. for some time and I believe if we had such a list it might be useful. Until some kind of list of subversive organizations is submitted it will hardly be possible to have the C.B.C. check on people's antecedents in this particular regard.

Mr. McCLEAVE: I wonder if Mr. Ouimet would expand on the sensitive areas which he spoke about. Which areas are these? Are they in the talks department, or where?

Mr. OUMET: All the areas of programming which deal or may deal, with ideas and ideology. Furthermore, I have already mentioned that we would include certain other occupations, for example, the operators at transmitters where there may be the possibility of sabotage.

Mr. MACDONNELL: How can you be sure they have no ideas?

Mr. HORNER (*Acadia*): I wonder if this screening process takes place when you are contacting persons for, say, spot commentaries on a certain subject?

Mr. OUMET: Mr. Horner, we have been speaking on staff, and not on the particular political views of musicians, artists or commentators.

Mr. HORNER (*Acadia*): I do not know if these people I have in mind are permanent staff or not, but they are regularly employed by the C.B.C. on commentaries. Whether they are full-time or not I do not know.

Mr. OUMET: If the committee follows the same pattern as in previous years, I believe we shall be discussing this in some detail when we examine talks and public affairs. At that stage we can deal with specific questions.

Mr. McGRATH: Is there anyone on your staff, Mr. Ouimet, who is charged with the responsibility of screening scripts or adjudicating on scripts to determine whether this element is present in the scripts of public talks, programs, and even commercial dramatic programs? You can get a very strong message across in that way, at least according to Mr. Carter.

Mr. PICKERSGILL: I think at this stage a point of order should be raised. We are trying to get through the act and this question has nothing whatsoever to do with staff. I agree it is a good question, but it would be proper to ask it when we are considering the operations of the C.B.C. If we are to finish consideration of the act we shall have to come back to it solely.

Mr. McGRATH: On a point of order, my question dealt directly with staff. I asked Mr. Ouimet if he had anyone on the staff charged with this responsibility.

The CHAIRMAN: I think it is a fair question because it does incorporate the staff and employees.

Mr. OUMET: Mr. McGrath, actually the number of scripts we use is so great that I cannot say there is one person charged with that responsibility. In the first place, we have the English language operations in Toronto, we



have regional operations all over the country and, of course, you have the French network operations in Montreal. So we have a number of people who do this. It is not the same person who does it for news as for things like drama or one of the serial programs or talks. The output is so great that no one person could possibly deal with this. I can assure you there is a whole organization dealing with it.

Mr. McGRATH: Do you mean that you have set up an organization to deal with it?

Mr. OUIMET: The organization we have has been adjusted over the years so that we are guaranteed the proper control.

Mr. McGRATH: Who would be responsible for selecting the script for instance for the program Festival '61?

Mr. OUIMET: The responsibility is that of the supervisor of the series; then, of course, everybody above him again. If you want to pin it down the script may be the producer's suggestion, but it has to be approved by the supervisor.

The CHAIRMAN: I do not think we want to get too far into this subject.

Mr. CHOWN: I would like to know something about the mechanics of screening these employees. What classification of position or designated officer in the various regions across the country is charged with the responsibility of handling that aspect of it? If the answer is too long it could be tabled as an appendix.

Mr. OUIMET: This is not difficult to answer. We follow generally the same procedure followed by the departments of government. We have our own security officer who resides in Ottawa. He is the contact with the security authorities. In the regions obviously it is not necessary to have a security officer. We ask the director of the region, or the head of the division in the case of Montreal or Toronto, to be responsible for this. There are very few cases, obviously, which do come up for screening as such. This is not a big job.

Mr. CHOWN: Are these prospective employees across the nation cleared by the regional directors through the security contact officer in Ottawa for a routine security, per se, check?

Mr. OUIMET: Yes. This is not a new thing. Any appointment in certain classes of positions is immediately referred to the security authorities to make sure there is no risk involved.

Mr. CREAGHAN: I assume what you said applies to promotions of existing employees, as well as new employees.

Mr. OUIMET: In certain cases, yes; but in that case instead of being a sort of automatic measure we would decide what has to be done. If somebody were promoted from a non-sensitive area to one where there might be some risk involved, then, obviously, we would follow the same procedure as in the case of a new person.

Mr. CHOWN: Would you give us the name of the security officer in Ottawa?

Mr. PICKERSGILL: It would not be fair to release that information.

The CHAIRMAN: I think it would be a breach of security to let us know who is the security examining officer.

Mr. LAMBERT: Are the appointments or promotions of employees subject to confirmation by the executive committee or any of the board of directors?

Mr. OUIMET: Yes, definitely.

Mr. LAMBERT: At what level?

Mr. OUIMET: Any appointment receiving a remuneration greater than \$10,000 is subject to board approval. I must say that before such appointments



get to the Board we have an appointments committee made up of the vice-presidents and other officers of the corporation, which screens them. This is not a screening in terms of security; the committee reviews such appointments from the point of view of their necessity, the remuneration paid, and the fairness of the selections.

Mr. LAMBERT: This involves not only the hiring of new personnel to these positions but also the promotions.

Mr. OUMET: It involves any change in status of the employee.

Mr. PRATT: Who is responsible for the limitation in the size of staff? It seems to me in a situation like Montreal and Toronto there are far too many television producers on the pay list. It is quite apparent to anyone familiar with the operations in these cities that, while some of these producers are excellent, there are many others who are not fit for their work. It also is apparent to anyone familiar with these operations that a great many of these producers are overworked, while others seem to have nothing to do. I am wondering if there is any one person, or office, responsible for the limitation in the size of this staff, because it is quite apparent that a good deal of money could be saved the taxpayer if some of these people were dropped.

Mr. OUMET: The only thing I can say, Mr. Pratt, is that this is your view; it is not mine. I think it is something which would be worth discussing in more detail at an opportune time. Obviously, we would not have employees on our payroll whom we consider to be unnecessary or incompetent. This is an axiom for any organization, and it is the same for the C.B.C. To say that the output of Montreal or Toronto is not enough to require the number of producers we have, I think would not stand examination in relation to the number of producers used by other similar organizations to do the same kind of work. I believe that, without any hesitation, I can make the claim that our output per producer for network programs—and this is the important thing—is higher than that of any other network of which I know in countries where they have comparable television development, whether it is Great Britain or the United States.

Mr. MACDONNELL: You have in fact made detailed comparisons, have you?

Mr. OUMET: We have in fact made detailed comparisons of the total staff of the corporation in relation to what they have in N.B.C., C.B.S., B.B.C. in England, or I.T.A., and we have made accurate comparisons of the unit costs of our product. In this regard I am glad to report we are below the unit costs of other network organizations. But please do not compare our staff or what we do with what a small private station might do. This is an entirely different thing.

Mr. PRATT: That was the basis of the question. I have a supplementary question. Could Mr. Oumet inform the committee the number of television producers now employed at Montreal and Toronto.

The CHAIRMAN: Would it be all right to table this information as an appendix?

Mr. PRATT: Yes.

Mr. FISHER: I would like to suggest that when we are going into all these fields, which will be opened up this morning, it might be of great assistance if we could have Mr. Carter here either as a member of the committee or in support of the views he expressed in the house. It seems to me we have not been the same since the Reverend Mr. Hansell was on this committee.

What I would like to ask is under part 2. About two years ago there were some complaints from one of the unions about the pension fund established.

Mr. PICKERSGILL: If we are going to subsection 2 could I first put a question on subsection 1?

Mr. SMITH (*Simcoe North*): When Mr. Ouimet is tabling the answer to Mr. Pratt's question, perhaps he could give us some information as to the numbers of the staff of the C.B.C. in the transmission field as opposed to production. How many persons in the C.B.C. in television and radio are involved in the production of programs and how many are involved in the transmission?

Mr. OUIMET: We can give you this information. I may say right off the bat that there is a larger number in production than in transmission.

Mr. SIMPSON: Could we have those figures for the last three years?

Mr. OUIMET: Yes.

Mr. PICKERSGILL: I would like to ask Mr. Ouimet what steps the corporation has taken to ensure, in the same way that the government of Canada has through parliament's enactment of the Civil Service Act, that there is what might be described as the merit system in the employment of its employees. By this I mean that all qualified Canadians will have an opportunity of knowing of the vacancies which exist in the corporation. I would also like to know what system of examination is employed in order to make sure that the corporation does not become a closed corporation, and in fact is open for applications from Canadians from all parts of the country who might be qualified.

Mr. OUIMET: Let me say this, that the corporation is in fact open for applications from all Canadians who are qualified; but we do not, as the civil service does, advertise our vacancies in newspapers.

The reason for this is that we have to operate on an entirely different basis than the civil service. In the first place, I believe about 5,700 of our employees out of a total of some 7,200, belong to unions, and of course, our relations with our own staff, our system of promotion and selection of staff, must take into consideration the presence of the unions and the agreements that we have with them.

Therefore our system does not lend itself to the same sort of measures that the civil service might use. But I can assure you that ours is not a closed corporation, anyone who wishes to apply is welcome. The more applications we get, the better the choice we may make, and it is a choice which is made on merit.

Mr. PICKERSGILL: What steps are taken to make sure that all potential qualified persons will know about these things?

Mr. OUIMET: I said that we do not advertise. This is true as a general statement, but it is not true in special cases. We receive a great number of applications from people who want to join the C.B.C., and of course we have many files of applications, from which we can make selections.

But in cases where we are looking for a specialist, or where it might happen that our file of applications did not reveal somebody qualified for the particular job, in that case we would advertise. We may, for example, advertise for a chief accountant, if we need one, to make sure that we get the best possible candidate.

Mr. HORNER (*Acadia*): I wonder if Mr. Ouimet would be good enough to tell the committee and me whether under the heading of staff there is somebody on the C.B.C. staff who is directly responsible for editing scripts in each production centre such as Vancouver, Winnipeg, Halifax, Toronto, Montreal, or do these scripts have to be submitted to a central control?

The CHAIRMAN: I think we are getting into operations under the act, but I think the first part of your question would be fair, as to security.

Mr. HORNER (*Acadia*): This has to do with the setting up of staff and how they are administered. I have last year's report before me, and I cannot



follow, in looking at the organization and the staff, as to whether or not there is an organization, or somebody on the staff who is directly responsible for editing scripts.

The CHAIRMAN: Do you not agree that that would come under our later examination, under organization? You used the word "organization", yourself.

Mr. HORNER (*Acadia*): Perhaps it might, but it also comes under staff.

The CHAIRMAN: Oh yes, I would agree.

Mr. PICKERSGILL: Mr. Chairman, on a point of order; subsection 1 of section 26 deals with employment of staff. It does not deal with what they do after they are employed. So I suggest that if we want to make any progress, we should stick to the act.

The CHAIRMAN: I certainly agree.

Mr. HORNER (*Acadia*): Well, Mr. Chairman, I disagree. This is employment of persons. Certainly we can go into the matter as to what arrangements are made after employment; in other words, we may consider their duties of employment, and as to how the corporation is set up to employ these men.

The CHAIRMAN: That is correct. But I suggest your question as to how many people are employed in script reading and checking had better come up later.

Mr. HORNER (*Acadia*): I merely asked if there was a person employed to edit script in each production centre. That is a simple question, and surely a simple answer could be given to it.

Mr. CREAGHAN: Does the corporation find it necessary to employ a script editor in each station where it operates? That is a question which could be asked.

Mr. OUMET: It is a simple question, but the operation of broadcasting is not that simple. I shall be very pleased to explain it in detail, but our operation does not lend itself to this sort of editing or censorship by one man. It has to be done by a number of people concerned with different areas of broadcasting.

For example, the problems of integrity of news are entirely different from the problems or the question of selecting scripts for dramas. You need two different kinds of men. And it is the same thing in many other fields.

We have religious broadcasting, for example. In the case of religious broadcasting, there you have to apply entirely different criteria than those of good taste, or those of integrity. The overall operation does not lend itself to editorial control by one man.

Mr. HORNER (*Acadia*): There is a staff set up in each production centre to edit the productions coming from that centre?

Mr. OUMET: There are several persons, each of whom has that responsibility in his own area.

The CHAIRMAN: Are you on subsection 1, Mr. Pugh?

Mr. PUGH: Yes. I have been wondering about the other end of it—the firing. I take it you are a fairly happy organization, and I have been asking myself what makes you a happy organization? Is it discipline? Have you ever had to discipline the staff? Do you find that there are occurrences which come up where you must discipline, even to the extent of firing?

Mr. OUMET: Certainly we have had to do it quite often over the years. At this point I would like to correct a statement which was made—I do not know whether it was made in the 1959 committee or in the house—that there had not been any dismissals for four years. Well, we checked after that statement was made, and we found that, in a round figure there had been some 300 dismissals.



Mr. PUGH: Would these be on the production end or the technical end?

Mr. OUIMET: It would be over the whole range of employment.

Mr. PUGH: I wonder if we might be given the figures for the last four years on both the technical end and the production end. These are actual dismissals?

Mr. OUIMET: Here you have to keep in mind that many of our production people are employed on contract; and, when you do not renew the contract, that may be equivalent to a decision that the man is either not needed or not competent to do the job. If that man were on regular employment, he would be dismissed.

Mr. PUGH: I do not want the figures right now; perhaps you could give them to us at a future time. I would like them first of all as to the dismissals, and the number in the production end. Then, perhaps you might give us the figures with respect to those whose contracts have not been renewed over a period of four years. I do not want the names, but the numbers in each year.

Mr. OUIMET: I think we could give you the numbers.

Mr. PICKERSGILL: Mr. Pugh is asking how many heads have rolled.

M. TREMBLAY: Monsieur Ouimet, pourriez-vous répondre à cette question? Ce que vous avez dit, tout à l'heure, au sujet de la façon dont on faisait appel, la façon dont on renouvelle le personnel. Est-ce que l'on fait des demandes publiques pour cela? Il me semble que vous avez dit que non.

Mr. OUIMET: Monsieur Tremblay, j'ai dit que...

Mr. TREMBLAY: You can speak English—

M. OUIMET: Je veux aussi parler en français.

Mr. TREMBLAY: No, I prefer that you speak English.

Mr. PICKERSGILL: I would ask the president to speak in French.

Mr. OUIMET: It is quite immaterial to me. I will do either or I will do both.

Monsieur Tremblay, vous m'avez demandé ce que Radio-Canada faisait au sujet du renouvellement de son personnel et quelle procédure la Société suivait au sujet des nominations, et j'ai répondu que nous suivions les mêmes procédures, les mêmes méthodes que suit toute entreprise bien organisée. Nous essayons «d'encourager», lorsque c'est possible, des gens qui sont déjà à notre emploi. Par ailleurs, nous avons dans nos dossiers des centaines et des milliers de demandes d'emploi, et lorsque nous avons une vacance nous étudions nos dossiers et nous essayons de trouver quelqu'un de compétent pour cette fonction à remplir.

With this routine of interpretation I feel a little like Khrushchev here.

Mr. PRATT: Keep your shoe on!

Mr. PICKERSGILL: I think you should withdraw that observation.

Mr. TREMBLAY: I ask my questions in French because I understand French better than I do English. But I would prefer if Mr. Ouimet answered my questions in English. I ask my questions in French because it is easier for me to put them in French.

Je voudrais savoir ceci: est-ce que vous faites des demandes publiques d'emploi? C'est ça qui m'intéresse.

M. OUIMET: Monsieur Tremblay, je vais finir de vous répondre en français à cette question. Nous ne faisons pas comme le Service civil. Le Service civil, je crois, publie dans les journaux des annonces où l'on invite des demandes de tous les gens intéressés. Nous ne faisons pas cela, à moins qu'il agisse d'une situation pour laquelle nous n'avons pas de spécialistes qui ont déjà fait des demandes. Dans ce cas-là, nous inscrivons une annonce dans les journaux; nous le faisons assez souvent, mais pas de façon régulière.

M. TREMBLAY: C'est sur ce point précis que je voudrais vous poser une question. Est-ce que vous ne pensez pas qu'il serait plus équitable de faire des demandes d'emploi publiques, et cela simplement pour disposer de cette critique que l'on a faite souvent à Radio-Canada, à savoir qu'il s'agit plutôt d'un cercle fermé (car Radio-Canada recrute son personnel en vase clos) et qu'il est impossible à d'autres, à toute une catégorie de citoyens, d'obtenir un emploi à Radio-Canada?

M. OUIMET: Monsieur Tremblay, est-ce que vous suggérez que nous suivions cette pratique pour toutes les situations que nous avons, par les sténographes aussi bien que pour les superviseurs ou les architectes? Je crois franchement qu'il n'est pas nécessaire de suivre cette méthode, car je crois que déjà nous obtenons ce que vous dites ne pas exister dans le moment.

Je dois vous dire que Radio-Canada n'est pas un vase clos; au contraire, nous essayons d'obtenir de l'extérieur des gens compétents qui contribueront à nos programmes aussi bien qu'à notre administration.

Je crois que le système du Service civil est peut-être un bon système pour le Service civil, mais Radio-Canada ne fait pas partie du Service civil, et je crois que nous devrions nous en tenir à un système dont la valeur est reconnue par l'entreprise privée. On nous demande souvent, à Radio-Canada, d'agir comme une entreprise privée. Nous essayons de le faire. Alors, il faut faire attention de ne pas nous forcer à adopter des systèmes qui seraient rejetés par une entreprise privée.

Mr. CREAGHAN: Mr. Chairman, on a point of order, I wonder if Mr. Ouimet, for my own purposes, would explain why he objects to answering a French question in English? The member asked that he be given an English answer.

Mr. TREMBLAY: I want to put my questions in French because it is easier for me, and it is a right. I have asked Mr. Ouimet to answer my questions in French or in English, but I would prefer him to answer them in English.

Mr. CARON: If he answers in English, I want to be assured that you will not come back at him, as you generally do.

Mr. TREMBLAY: No. That is quite a stupid remark by the member. It is a question of principle. I have a right to ask my questions in French or in English; and if I put my questions in French, then Mr. Ouimet, as I have said before, may answer my questions in English. Mr. Caron is completely wrong about what he has said.

Mr. CARON: No. I repeat what you have said in the house.

Mr. PRATT: May we speak Irish this week?

The CHAIRMAN: Please, Mr. Caron! You may settle this later outside.

M. CARON: C'est un imbécile; qu'est-ce que vous voulez?

Mr. PICKERSGILL: On the point of order raised by Mr. Creaghan, I would prefer Mr. Ouimet to reply in French, for very good reasons. As we all know, French is Mr. Ouimet's mother tongue, and while he speaks English and French equally well, I believe it would be easier for him, when a question is asked in French, for him to answer it precisely in that same language.

In addition, since precision is being asked for, it seems to me that Mr. Ouimet might be able to reply so that his own words may appear in the record and so that there will not be somebody else's translation. He has been asked about a very important subject, and it is very important right across the country. What he has to say should be understood as he wants it to be understood, and not through a vocal translation.

It bothers me not at all that he answered in French. However, if it is thought that it would help us with our work, and if Mr. Ouimet wishes to speak in English, I would withdraw any objection, provided it is perfectly understood that subsequently other people do not go about the country and say that Mr. Ouimet cannot speak his own language.



Mr. CREAGHAN: I simply asked the president if he would explain why he did not accede to the request made by Mr. Tremblay that he could, if he wished, answer in English. I did not insist that he speak in French or in English. I merely wanted to know why he did not accept the invitation to speak in English.

Mr. PICKERSGILL: Might I suggest that Mr. Ouimet was paying attention to the request made by another member of the committee, myself, that he should speak in French.

Mr. MACDONNELL: I think we all recognize the rights of the French language and we do not need to be taught by anybody in this room.

A leader of my party once spoke about the memorable art of common sense. Mr. Tremblay asked his question in French and asked that it be answered in English. I think that was good common sense, and it should be followed.

The CHAIRMAN: May I be permitted to raise one question. I think we are beginning to wander out from these questions into matters of operation, while these will be taken up later on. At that time we will have before us employees of the corporation who will be better able to answer such questions.

Mr. OUMET: Would you allow me just to say a few words here on this question? It is immaterial to me how I answer—I mean in what language I answer—but I must point out to you that I find it difficult to start an answer and to be interrupted in order that it may be interpreted, and then to continue again for a couple of seconds, only to be interrupted again. That is why I said that I felt like a gentleman who perhaps I should not have mentioned. But it is only in this respect, let me assure you, that I feel that way.

Frankly, I think, to be practical, to continue in English would be the best way as far as I am concerned.

Mr. SMITH (*Simcoe North*): I have a supplementary to the question asked by Mr. Tremblay. With all the good will in the world, does your system of hiring not tend to make the corporation a closed corporation, with due regard to the fact that you differ from private enterprise in one very substantial respect, that is your source of income? But, with all the good will in the world, does the system you use of hiring from a file of applications tend to make your corporation a closed corporation? Is it not human nature that if I work in the C.B.C. and know an opening is coming up in my department, am I not going to look around and get some of my friends to apply for that job?

Mr. OUMET: Mr. Smith, your remarks sadden me. Why do you always expect that because it is the C.B.C. there must be something wrong with the system? We are dealing with a matter of administration here, our practices of administration in selecting personnel.

Mr. SMITH (*Simcoe North*): I was not talking about the C.B.C. I was talking about human nature, and it being what it is.

Mr. PICKERSGILL: Two different things.

Mr. OUMET: Human nature in the C.B.C. is no worse than human nature in any other corporation.

Mr. SMITH (*Simcoe North*): I am not suggesting it is.

Mr. OUMET: When I said you sadden me, I should have completed my answer. I think we are taking every precaution in the corporation to make sure that the sort of thing you fear does not happen, and I do not think that, if we adopt a system which the government has found necessary and apply it to the corporation, we can then expect the corporation to have the kind of operation which is expected of it. That is why I compare it with private enterprise. Of course, I do not say that we are a private enterprise.

Mr. SMITH (*Simcoe North*): I know you would not say that.



Mr. OUMET: I am saying that from the administrative standpoint we are expected to produce the same efficiency and results as a private enterprise, and I would like the C.B.C. to be free to use those methods of private enterprise which have proven effective over the years. That is all I am saying, and that is why I said what I did at the beginning of my remarks. You were suggesting that this was a closed corporation, that there were dangers that we would hire our own friends, and so on, and I was suggesting to you that this is not the case and that it saddened me to hear you say that.

Mr. KEAYS: I should like to ask Mr. Ouimet if they have any architects, consultant engineers or civil engineers directly employed, either part-time or full-time, in the corporation?

Mr. OUMET: Yes, we have our own staff of engineers and architects, and we have had them since 1932. We do all our own construction design and planning, and we have done this for 30 years.

The CHAIRMAN: I think we are broadening the scope of our questioning.

Mr. KEAYS: I wonder could Mr. Ouimet table for the next meeting of the committee the names and number of architects, consulting engineers and civil engineers, mechanical and electrical, employed by the corporation for the last three years? I also ask that the list include those employed full-time or part-time.

Mr. OUMET: You are speaking of professional engineers as distinct from technicians?

Mr. KEAYS: I am not speaking about technicians.

M. TREMBLAY: Monsieur Ouimet, je reviens à la question que je vous ai posée tout à l'heure. Je comprends très bien que c'est peut-être difficile, dans certains cas, d'utiliser les méthodes que l'on utilise pour le recrutement du personnel au sein du Service civil, mais j'estime que Radio-Canada est une société de la Couronne, et que, de ce fait, elle reçoit, enfin elle est financée par les contribuables. C'est pour cela que les gens se posent des questions et se demandent pourquoi il ne leur est pas possible de faire des demandes d'emploi. Ils se demandent pourquoi Radio-Canada ne procède pas exactement comme l'on procède dans le Service civil, parce que, eu égard au fait qu'ils contribuent de leurs deniers au financement de Radio-Canada, ils estiment avoir droit, avoir à l'endroit de la société Radio-Canada les mêmes droits qu'ils ont à l'endroit du Service civil. C'est pour cela que je vous demande s'il ne serait pas plus équitable de faire des demandes d'emploi de façon publique, comme on le fait dans le Service civil.

Mr. OUMET: Mr. Tremblay, I think people generally know that the C.B.C. employs various kinds of specialists. At the moment, of course, our staff is not growing at the same rate that it was three or four years ago but, generally speaking, people know that now and then we do need accountants, operators, technicians, engineers and producers, and I have always felt that those people who were interested in joining the corporation have already written us. Generally they have been interviewed by our employment officers; they have been referred to the heads of the services requiring that kind of help. I think we already have a very good system. I would be afraid to go to the extent of the civil service simply because I believe it would be less efficient for us. I am not saying it is inefficient in the case of the civil service but, at least, I do not know of any corporation which is privately owned that uses that system.

Mr. CHOWN: Arising out of Mr. Keay's question, at the last meeting I asked for certain information regarding the number of employees in radio and television and I believe that is not ready yet.

The CHAIRMAN: That is correct.

Mr. CHOWN: The other question I was going to ask is this: is there any point at which you do advertise vacancies in the C.B.C.?

Mr. OUMET: Yes, I have already mentioned that we do in special cases where we do not already have applicants or, competent people available. We have done this on a number of occasions.

Mr. CHOWN: What about promotions within the corporation? How are these carried off—by appointment, by competition, by a bulletin or what?

Mr. OUMET: They are advertised internally. That is done because of the agreements we have with our unions.

Mr. CHOWN: So that anyone in any region of Canada can always be informed of any potential promotion and can compete for that promotion?

Mr. OUMET: That is correct above a certain level. We do not do this for very junior jobs.

Mr. CHOWN: At what level is it done?

Mr. OUMET: I shall ask Captain Briggs to answer that.

Captain W. E. S. BRIGGS (*Vice President, Canadian Broadcasting Corporation*): It is done in two ways. It is done regionally at the lower levels so that all points within a given region will be advised. Above a certain level it is done on a national basis. That level may vary, depending on what the job is. In other words, if it is considered of sufficient significance, it would be advertised internally on a national basis. One of the reasons for doing it in two ways is that we would want to be transferring a very junior person plus his family all the way from Halifax to Vancouver.

Mr. MACDONNELL: I do not know if Mr. Ouimet has answered the point raised previously. There is always the chance of some good person being overlooked just because it is not the practice to advertise vacancies on a national basis. If I understand Mr. Ouimet correctly, he is very anxious to maintain the system used in a private corporation; but this is not a private corporation. All I am saying is that there are people who are critical of the C.B.C. I am not one of those people but I do suggest that if this practice were adopted it would remove the cause of the criticism. I do not see any objection to doing this and I do not believe Mr. Ouimet has any doctrinaire feeling on the matter, in order to be like a private enterprise.

Mr. OUMET: Mr. Macdonnell, I am glad you have made these comments. I must repeat that I do not consider the C.B.C. to be a private corporation or a private enterprise. Most definitely we are a public corporation, and we have special obligations because we are a public corporation. I was simply using the practice of private enterprise as an argument to show that the method of advertising for all positions, which the civil service uses, has not found favour amongst people who are looking for maximum efficiency at all times; and I should add that maximum efficiency may be only one aspect of this whole situation. You are advancing consideration and, frankly, we have never considered it in the corporation over the last 20 years.

Mr. SMITH (*Simcoe North*): Private enterprise has a different yardstick for measuring its efficiency which could not be applied to the C.B.C.

The CHAIRMAN: I should like to bring it to the committee's attention that if members want to discuss staff completely, that will occupy about 16 meetings and we shall never get beyond that. Would members confine their questions to the act? Otherwise we shall be getting away completely from the act.

Mr. PICKERSGILL: On the point you have raised, Mr. Chairman, it does seem to me that the most recent questions, particularly Mr. Macdonnell's, are absolutely and precisely on the act. What he was raising here was the question of whether section 26 should be amended in order to provide that all positions,



or certain positions, should be advertised. I must say that, notwithstanding the fact that I personally do not believe it would be practical to operate the C.B.C. in the way the civil service is operated and, while I am well aware that Mr. Ouimet is anxious to use a public corporation as an analogy, I do not think many private corporations advertise that much, certainly not from the point of view of giving every Canadian a chance to apply for vacant jobs.

There is certainly a lot to be said for the necessity of having some means of having it made known to the Canadian public generally that vacancies are going to occur, so that it is not just those people who have the initiative to write their friends and tell them about it, or those people who have the initiative themselves to write to the corporation seeking jobs, who will be considered. By advertising you might attract people who are content in their own jobs at the moment and that has to be considered. I know this would cost something and I would hope that would be taken into consideration, but I do feel that this particular line of inquiry, which I initiated, and which Mr. Tremblay, Mr. Macdonnell and Mr. Smith followed, is really directly related to the act. It is not like the question which was asked about how many engineers are employed by the corporation. That is a question which is related to operations and which can be raised when we reach that stage. The other question deals directly with what we are on and, speaking for myself, I think there would be a lot to be said for the corporation giving some consideration to the possibility, not of having competitive examination, but of having some system of advertising more than at present.

The CHAIRMAN: That is a rather long statement.

Mr. PRATT: I should like to ask Mr. Ouimet, has the system of hiring changed in any degree from 1954? I remember working at that time with a television technician, who might have been a floor manager, but whose previous experience had been that of a drummer in a dance band.

Mr. OUIMET: That is quite possible. Television was new in 1952. We had to train new people and their previous backgrounds might have been quite foreign to television. That man might have been a good drummer, and a good technician also.

Mr. PRATT: My question was, have you changed your methods since 1954?

Mr. OUIMET: We have not changed them.

Mr. SIMPSON: May I ask, does the corporation consult the officers of the national employment service?

Mr. OUIMET: Yes. Of course I have not mentioned all the consultation that goes on. If we are looking for an expert on agricultural matters we make contact with the agricultural associations, the provincial departments and so on. Frankly, I believe that through our contacts we generally get the best man available. I must say that I am concerned about the costs of what is suggested. I can imagine that, with national advertising, applications would come to the corporation by the bagfull. They would then have to be processed and I do not think such a system would be any more use than the system we have now.

Mr. SIMPSON: I asked the question because I understood previously that under the system you have, in most cases you have enough applications on file, sufficient to secure the staff you require, and you might possibly feel there was no necessity of going further.

Mr. OUIMET: This is what I tried to convey before, but we do deal with the national employment service continually, particularly for our requirements in clerical staff, stenographers, and so on.

Mr. CREAGHAN: Do your employees subscribe to employment insurance?

Mr. OUIMET: Yes.



The CHAIRMAN: If there are no further questions, we can go on to subsection (2).

Mr. BALDWIN: I have a question on subsection (1). The subsection says: "the corporation may on its own behalf employ such officers and employees as it considers necessary". Section 24 subsection (1), which we have dealt with, says: "the president is the chief executive officer of the corporation, and has supervision over and direction of the work and the staff of the corporation". Following up Mr. Pugh's question regarding dismissals, is that under the direction of the president or does a question of dismissal come before the corporation itself? Is there a certain level at which a dismissal is dealt with by the corporation and another level at which it comes to the president?

Mr. OUMET: I have to approve of all such cases.

Mr. FISHER: On subsection (2)—pension fund—in the complaints that arose two years ago, in which the unions were concerned about the pension fund, was this section of the act called into question?

Mr. OUMET: I do not believe so, Mr. Fisher.

Mr. FISHER: In so far as the phrase "any part of the pension fund may be invested in such manner as may be provided by law" is concerned, does a by-law arrangement provide for some consultation with the employed groups, that is the unions you work with?

Mr. OUMET: I must say that we are still working on the basis of the pension plan that we have had for many years, so that actually there is no by-law which spells out any such arrangement but, at the moment, we are considering modification in the pension plan and later there will be a new by-law necessary to deal with this, in accordance with the act.

Mr. FISHER: Then, there would be no need to change the act if you wanted to include vesting rights?

Mr. OUMET: No.

Mr. FISHER: When you have difficulties under this subsection and there is disagreement with the employees, does it then go before the Canada Labour Relations Board?

Mr. OUMET: To what class of employees are you referring?

Mr. FISHER: Those employees whose relations with management are correlated by a union framework.

Mr. OUMET: Yes; if we cannot reach agreement with our staff, or the union representative of our staff then, of course, we must follow the procedure established by the federal authorities.

Mr. CREAGHAN: Mr. Chairman, I was wondering if we could have a general statement on the pension fund and, in particular, to what extent the corporation contributes to the fund.

The CHAIRMAN: Would you like to have that tabled?

Mr. CREAGHAN: Well, if he could give a short summary of it at this time, I would be pleased. There must be some minimum or maximum contribution by the corporation.

Mr. OUMET: The corporation contributes to the fund exactly 6 per cent of salaries at the moment.

Mr. CREAGHAN: And, the employee matches that?

Mr. OUMET: The employees pay the same.

The CHAIRMAN: May we pass on to subsection (3).

Mr. CHOWN: In connection with subsection (3), have you in the past, and are you continuing to recruit many employees from the civil service?

Mr. OUMET: I really could not tell you. However, our personnel head could give you that information. I am sure this varies a great deal. I am sure that in Ottawa we recruit more from the civil service than in other cities where civil service employees are not as numerous.

Mr. PICKERSGILL: The present law provides that any civil servant who becomes an employee may continue to be a contributor under the Civil Service Superannuation Act instead of coming under the pension fund of the corporation. That is really the effect of it. Does that invariably happen in the case of employees who are recruited from the civil service?

Mr. OUMET: This is no longer the case, and I would like Mr. Laidlaw to say a word on this.

Mr. LAIDLAW: Mr. Chairman, subsection (3) does not cover superannuation; it refers only to the benefits under the Civil Service Act. When a person ceases to be a civil servant he no longer can be a contributor under the Public Service Superannuation Act.

Mr. PICKERSGILL: Therefore, this never did cover it.

Mr. LAIDLAW: Not this subsection. I believe that there was a subsection prior to 1950 which carried forward this civil service superannuation. However, under the new Public Service Superannuation Act it is no longer possible.

Mr. PICKERSGILL: Then, could the legal advisor tell us what it is that an employee retains?

Mr. LAIDLAW: Yes. He retains such things as accumulated sick leave and annual leave. All that sort of thing is carried forward while he is in the employment of the Canadian Broadcasting Corporation.

Mr. MACDONNELL: What about his pension rights when he leaves?

Mr. LAIDLAW: Under the Public Service Superannuation Act he can elect to take a deferred pension, or the return of his contributions.

Mr. SIMPSON: He does not remain a civil servant on leave of absence?

Mr. LAIDLAW: No.

Mr. CREAGHAN: Is subsection (3) fair to the employees? If an employee of the C.N.R. becomes a civil servant, he can transfer his C.N.R. accumulated pension to the civil service. I think this was designed to make it possible for civil servants who become employees of your corporation to transfer, in specie, their accumulated pension contributions.

Mr. LAIDLAW: This is not possible.

Mr. CREAGHAN: That was not the intention?

Mr. LAIDLAW: No.

Mr. OUMET: But, in fact, he retains any earned pension. So, he does not lose his pension.

Mr. CREAGHAN: He might receive a cheque from two sources.

Mr. OUMET: Yes, eventually, when he retires, he would get a cheque from two sources. I imagine it would come out to about the same amount.

Mr. CREAGHAN: In respect to some pension schemes there is a minimum requirement of ten years contribution.

Mr. OUMET: That is true.

The CHAIRMAN: If there are no further questions on section 26, section 27—agent of Her Majesty, is next. Are there any questions on this section? If not, we will proceed to section 28—executive committee.

Mr. PICKERSGILL: Mr. Chairman, I think it might be helpful if Mr. Ouimet would tell us what authority has been delegated under section 28 to the executive committee.

Mr. OUIMET: The executive committee has the authority to deal between the meetings of the board with any matters which are required for the proper conduct of the corporation's business. The committee meets quite frequently.

Mr. PICKERSGILL: But, for example, the committee would not have power to make by-laws.

Mr. OUIMET: No. This has not been spelled out yet, but it has been recognized.

Mr. PICKERSGILL: I take it then that there has been no real legal contention of the precise powers of the executive committee.

Mr. OUIMET: This is something which still has to be done. Of course, you have to stay within the wording of the act.

Mr. PICKERSGILL: Yes, of course.

Mr. LAMBERT: Mr. Chairman, is there not a misconception here? I think we are at cross purposes on this. The executive committee does not make by-laws, and I think that was the inference of the question by Mr. Pickersgill. He asked if the executive committee made any by-laws.

Mr. PICKERSGILL: No, I did not ask that. I said to the chairman that this would not include the power to make by-laws, and he agreed with me.

Mr. OUIMET: Yes.

The CHAIRMAN: Have you a question, Mr. Baldwin?

Mr. BALDWIN: No, Mr. Chairman. The point in which I was interested has been raised.

Mr. CREAGHAN: How large is the executive committee?

Mr. OUIMET: It consists of five members, and is under the chairmanship of the president. It includes the vice president and three outside members.

Mr. CREAGHAN: Do they rotate?

Mr. OUIMET: No. We have not rotated them for the good reason that it is a question of having members who are near enough to Ottawa to be called at a moment's notice. Of course, it would be difficult to rotate right across the country.

Mr. PICKERSGILL: Does the executive committee include the so-called chairman of the board of directors?

Mr. OUIMET: It does.

Mr. PICKERSGILL: But, he is not the chairman of the executive committee?

Mr. OUIMET: No, he is not.

The CHAIRMAN: Have you a question, Mr. Fisher?

Mr. FISHER: Mr. Chairman, I do not want at this time to get into the question of operations. Later on I would like to revert to the liaison established between the board, the executive committee and the minister. Is the executive committee the group which normally meets with the minister?

Mr. OUIMET: No. The representative of the corporation is the president.

Mr. FISHER: In other words, it is directly between the two of you?

Mr. OUIMET: Yes.

Mr. FISHER: I will leave my other questions until a later time.

Mr. OUIMET: However, I do not say that there might not be occasions when this might be done in a different way.

An hon. MEMBER: I move that we adjourn.

The CHAIRMAN: We have still a half hour left. Are there any further questions on section 28?



Mr. PUGH: Mr. Chairman, I would like to track this matter down. How often does the executive committee meet?

Mr. OUMET: The committee has met 32 times since the act was passed two years and two months ago. However, it normally meets now about eight or nine times a year, in between board meetings.

Mr. PUGH: In between each meeting?

Mr. OUMET: Usually in between each meeting.

Mr. PUGH: I take it that all matters of policy are set under the act and that you, more or less, carry that on. Are there any major decisions made by your executive committee?

Mr. OUMET: Only decisions which cannot await a full meeting of the board. I think this is the important point that I should have stressed. The purpose of the executive committee is to deal with such matters that may come up between board meetings, where it is not possible, convenient or advisable to bring the whole board together.

Mr. PUGH: Has any change been made in the decision of the executive committee when the full board of directors has met?

Mr. OUMET: No. Of course, we have to submit to the board of directors all the decisions that we have made.

Mr. PUGH: Yes, I understand that.

Mr. OUMET: And, to my recollection, there have been no cases where there was a reversal of the decision of the executive committee.

Mr. PUGH: In answer to a previous question you said that very little change was made on the executive committee because of the necessity for your meetings here. Is there a tendency for this executive committee to sort of take over the powers?

Mr. OUMET: I would say no, not at all. There is no such danger in the corporation.

Mr. PUGH: No, certainly not in the written word, but I mean, in actuality, has this happened?

Mr. OUMET: In actuality, the executive committee met quite frequently for the first few months of 1959, when we were dealing with an emergency situation in Montreal. Since then our meetings have been held between board meetings in order to deal specifically with matters of urgency. We never deal with matters which can wait until the board meets. In that way there is no possible danger that the executive committee might take over any of the responsibilities of the board.

Mr. MACDONNELL: Under section 28 you are permitted to delegate all powers under this part. In fact, do you give a delegation as wide as that?

Mr. OUMET: No. It is purely to deal with emergency situations.

Mr. MACDONNELL: Yes, but that is no limitation of power, as I understand it.

Mr. OUMET: There is no limitation of power, if it is an emergency.

The CHAIRMAN: If there are no further questions on section 28, we will proceed to section 29—objects and powers, and we will take them one subsection at a time.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I have a further request to make of Mr. Ouimet. Earlier I asked a question which is to be answered later concerning the distribution of employees. I was wondering whether, when answering that question, it would be possible to divide the employees more or less in accordance with paragraphs (a), (e) and (i) of section 29(1). If it is not possible to give an answer now, I will not require one.

Mr. OUIMET: We will see what we can do to meet your wishes, Mr. Smith. We can break down our staff in many different ways and, if we can do it in the way you propose, we will be pleased to do so.

Mr. PICKERSGILL: Mr. Chairman, in many respects this is the most important section as far as the C.B.C. is concerned. Has Mr. Ouimet any suggestions or possible amendments which he thinks would be desirable?

Mr. OUIMET: We have no recommendation to make with respect to section 28. We think it is adequate as it is. We think it is clear, when taken with the second part of the section, 29(2). It spells out the powers of the corporation and, at the same time, it says at the end that the corporation is subject to part I. I think it is very clear. We have had no difficulty in operating under it.

Mr. PICKERSGILL: I have a supplementary question. Mr. Ouimet will no doubt recall that in parliament in 1958 the Minister of National Revenue at page 4152, said he thought, in drafting section 29, subsection (1), para. (b), the draftsman had made a "boob"—I think that was the word—and, it was suggested, that the minister, at that time, did not think it was entirely clear. However, there was quite a long debate about this, and it was subsequently pointed out that subsection 2 made it quite clear that power was given to the corporation to establish broadcasting stations, subject to the approval of the Board of Broadcast Governors. It is really just a matter of instruction in debates, and it does seem to me that this is a point that, perhaps, should be clarified, as we thought when the bill was before parliament.

If parliament intends that the establishment by the C.B.C. of broadcasting stations should be subject, not merely to the approval of the governor in council, but the approval of the Board of Broadcast Governors, surely that should be spelled out. We should not go to subsection 2 and put some interpretation upon it. I wondered if Mr. Ouimet would see the faintest objection to inserting, after the words "subject to approval of" the words "the Board of Broadcast Governors"? It would read: "subject to the approval of the Board of Broadcast Governors and the governor in council."

Mr. OUIMET: I have some comments to make here. I think they are important because I think the suggestion you are making, Mr. Pickersgill—and, I believe, this was also suggested by other witnesses who have come before you—would actually go much further than the intent of the act. It has been suggested by previous witnesses that (a) and (b) might be combined and the words "governor in council" be added, subject to approval. What were your words?

Mr. PICKERSGILL: "Subject to approval of the Board of Broadcast Governors and the governor in council".

Mr. OUIMET: In paragraph (b) only?

Mr. PICKERSGILL: That is all my question dealt with.

Mr. CREAGHAN: Subsection (2).

Mr. OUIMET: I do not think it is necessary to do so, but I do not see any great objection to your wording. I have this feeling about the general clause, that it is one which spells out the objects and powers of the corporation. In a way, it is like our letters patent, and I think the corporation has been established by this act as something separate and distinct from the B.B.G., although we have, of course, to follow the regulations of the B.B.G. I think that our powers and objects should not be made conditional on something else, although it should be clear that we have to abide by every regulation that may be made under another section of the act.

Mr. SMITH (*Simcoe North*): It seems to me Mr. Pickersgill and I, as amateur, legal draftsman, could argue this point for the rest of the day. It also occurs to me that section 29(1) is a description of the physical powers



of the corporation given to them. As Mr. Ouimet stated, similarly, a private corporation under the Companies Act would have all those physical powers subject to the rest of the laws of the land. It is really a fine point of legal draftsmanship that we are arguing about.

Mr. BALDWIN: I would like to invite Mr. Laidlaw's comment on this. This brings up the point that Mr. Pearson raised about the council for B.B.G. He said that there was some doubt in his mind as to whether the corporation would have to apply for a licence because he did not think an agent of the crown, unless it was specifically stated, should be bound in the legislation. I would like to ask Mr. Laidlaw if he does not think the wording of subsection (2): "the corporation is bound by the provisions of part I" is a clear indication that despite the corporation being an agent of the crown, it is bound, as any other person is, by all the provisions of subsection (1).

Mr. LAIDLAW: Mr. Baldwin, I would agree with that, particularly when you read subsection (2) of section 29. Certain other provisions in part I, for example, 12(3), say:

"no recommendation shall be made by the board on any matter referred to it under subsection (1) unless it has held a public hearing at which the applicant, the corporation and other interested licensees and applicants for licences have been given an opportunity of being heard."

Subsection (5) uses the same thing. I would not be able to accord this wording any sense unless it meant "other than the corporation". I would think the intent is pretty clear, that the corporation was bound by the licensing provision.

The CHAIRMAN: Are there further questions on subsection (b)?

Mr. SIMPSON: I think section 29 itself opens up the question of the extension of services covered, and everything else.

The CHAIRMAN: Not in operations.

Mr. SIMPSON: At this time I would like to request that when we have the opportunity of having the corporation come before us again, I would like to request that we have information provided in relation to coverage plans for television during the next number of years that they can forecast at this time, and the area given with the population which they plan to serve during the next few years. I think it would be very interesting for the committee to have this information in front of them.

Mr. OUIMET: I believe we can meet your wish in a general way, as long as we are not asked to be absolutely precise as to the dates when certain of the projects can be carried out. These are subject to a great deal of modification, in the light of changing circumstances.

Mr. SMITH (*Simcoe North*): On a point of procedure, do you think this section seems to go to the root of the operation of the C.B.C., and do you think this section might be left now and dealt with when we are dealing with the operation of the C.B.C., so that we can proceed to section 30 and the subsequent section, and clean them up this morning? When the C.B.C. operations are dealt with we could deal with section 29, as it may be necessary.

The CHAIRMAN: What is the feeling in the committee?

Mr. HORNER (*Acadia*): I think it is a good idea.

The CHAIRMAN: Are there any other comments on this question? I think Mr. Fisher has a question first.

Mr. FISHER: Mine is on 29.

Mr. CHOWN: Let us defer that until we come back to that.



The CHAIRMAN: I think the feeling of the committee is that this is a pretty rare clause on which it would be difficult to rule, as it might involve operations.

Mr. FISHER: My point was on the act, but it has nothing to do with operations. I want to know whether Mr. Ouimet felt that there is too much generality in this section and not enough of the specific nature to mark out the responsibility of the C.B.C. in extending services to all Canadians?

Mr. OUIMET: We have not looked at the act with that particular point in mind. We have always taken it that the wording "national service", which is in the act, meant that we had the obligation to serve the nation in its entirety if this was financially and economically possible. We have never had any doubts in our minds about the wording of the various subsections.

Mr. FISHER: Have you ever thought that you may include that provision in the act, "where financially and economically possible"?

Mr. OUIMET: I always thought that this would be taken for granted.

Mr. FISHER: It is not taken for granted by a lot of people in parts of the country that do not get C.B.C. service. All they know is that they are taxpayers contributing to the organization.

Mr. HORNER (*Acadia*): I agree with Mr. Fisher.

Mr. OUIMET: I agree that we have not managed as yet to serve 100 per cent of the people. However, we are trying our best to do so, as funds are made available to us. After eight years in television I think we are up to 94 per cent of the population of the country.

Mr. FISHER: Who is up, the C.B.C.?

Mr. OUIMET: The C.B.C. and its private affiliates together. When I speak of the C.B.C., in terms of coverage, I speak of the C.B.C. and its affiliates, because it is one system. This is the public system. Although I see no harm in having the words, as far as we are concerned the responsibility is clear.

Mr. FISHER: I think it might have some practical value. Certainly it has some value for politicians like myself, Mr. Simpson and Mr. Horner, who are in the position of having a considerable part of our constituents not covered by the C.B.C.—especially by C.B.C. television. I cannot make head or tail out of your figures, and I do not know whether Mr. Simpson or Mr. Horner can. I am referring to your so-called per capita figures. It seems to me that they are as elusive as the man in the moon. We have had from Mr. Richardson a complete and worthwhile statement of the various contours and what your plans were. However, we do not know where you are extending to and when.

Mr. OUIMET: We will be pleased to explain our elusive formula in detail so that it is no longer elusive.

Mr. LAMBERT: The fact it is not understood does not mean it is elusive.

Mr. FISHER: I assume that you would give Mr. Horner, Mr. Simpson and myself the benefit of having a fair intelligence?

Mr. PICKERSGILL: And, Mr. Pickersgill.

Mr. CREAGHAN: I would like to be included in that list as well.

Mr. FISHER: I would like to revert and say that I cannot see why it would not be useful to have the phrase "within the reasonable financial and economic limits" there.

Mr. OUIMET: I have no objection, sir.

The CHAIRMAN: If there are no further questions, shall we carry on with section 30—acquisition and disposition of property.

Are there any questions on this section?

Mr. PICKERSGILL: I would like to ask Mr. Ouimet if he has had difficulty in persuading the governor-in-council to let him buy and sell the property he wishes?

Mr. OUMET: No, I do not believe we have had any undue difficulties.

Mr. FISHER: Mr. Chairman, I would like to give a specific example, and see how it relates to this. I have driven past places in both Toronto and Ottawa where there are signs up on vacant lots saying that this is going to be the headquarters of the C.B.C. There was a sign somewhere up in Toronto—I believe in the Don valley area—where it was indicated at one time there was going to be a C.B.C. building located there. What happens to these projects? Do you not have enough power under the act, or the money to carry on?

Mr. OUMET: First of all, let me say that in the case of Toronto we are going ahead. We have purchased the property. The plans are being made, and the money for the first stages of the project is in the budget for this year, and is also included in the estimates for next year.

As far as Ottawa is concerned, I can say the same thing; the money is in the estimates for 1961-62.

Mr. PICKERSGILL: Are you referring to the building out on Bronson Avenue? There used to be a sign there, but I have not seen it recently.

Mr. OUMET: Yes. Perhaps the wind blew it down.

The CHAIRMAN: Have you a question Mr. McCleave?

Mr. MCCLEAVE: Could we have tabled Mr. Chairman, those figures in excess of \$100,000 over the last two and a half years—and I am referring to buying or leasing.

The CHAIRMAN: Is this within the bounds of the committee?

Mr. PICKERSGILL: Well, surely Mr. Chairman, these orders in council cannot be kept secret. They authorize contracts and, therefore, there can be no problem about producing them. Then, I think we would be in order to judge whether this section of the act is working satisfactorily. We ought to know how many orders in council there were, and what they covered in each case.

The CHAIRMAN: Have you any objection?

Mr. OUMET: There is no objection from the C.B.C.

The CHAIRMAN: Have you a question Mr. Pratt?

Mr. PRATT: Under what section does the corporation acquire and operate real estate? I see nothing in this section, unless it be subsection (n), which is a general clause.

Mr. OUMET: Section 30.

Mr. PICKERSGILL: It says, under section 30, that the corporation may purchase, lease or otherwise acquire any real or personal property.

Mr. CREAGHAN: Mr. Chairman, I would like to direct a question to Mr. Ouimet. I would like to know the annual cost of the new microwave from central Canada to the Maritimes. I am referring to the French language microwave which just opened. Does it exceed \$100,000. If so, is it described as a governor-in-council obligation?

Mr. OUMET: I should point out to you that the act does not require the C.B.C. to ask approval of council for rental of services, but only for the rental of real property or the acquisition of property.

Mr. CREAGHAN: Well, you have a rental. I am thinking of football games in the Maritimes next year. Are you suggesting that you have not a lease of the microwave?

Mr. OUMET: Oh, yes, we have a lease of the microwave across the country.

Mr. CREAGHAN: And, does it not exceed \$100,000?

Mr. PICKERSGILL: It is not property.

Mr. OUMET: I am suggesting it is not a lease of facilities but a lease of services. It is not a lease of properties.

Mr. CREAGHAN: It says "personal property" in line 2 of section 30.

Mr. PICKERSGILL: Services are not personal property.

The CHAIRMAN: Order.

Are there any further questions under section 30?

Mr. CREAGHAN: I would like to enlarge on this, Mr. Chairman.

From what organization does the C.B.C. rent the new microwave into the Maritimes?

The CHAIRMAN: Is this section 30? This is real or personal property, and should come under operations.

Mr. CREAGHAN: Well, this is a lease. I would like to ask a question of Mr. Laidlaw.

Mr. Laidlaw, do you consider the rental of a microwave from outside organizations as the rental of personal property? I do not know what personal property is.

Mr. LAIDLAW: Yes, in a strict sense it is personal property.

Mr. CREAGHAN: In other words, my question is in order. I would like the chairman to give me the name of the owner of the microwave which was recently opened between eastern Canada and the Maritimes.

Mr. OUMET: It is the C.N. and the C.P. telegraph group. Of course, they work with some of the provincial telegraph groups.

Mr. CREAGHAN: Have you the exclusive rental of it?

Mr. OUMET: We simply rent the facilities for a number of hours or, to put it in a more accurate way, we rent a service. They guarantee to bring our program from one point to another for a certain number of hours, for a certain price.

Mr. CREAGHAN: And does it exceed \$100,000?

Mr. OUMET: I really do not know.

Mr. CREAGHAN: I have one further question. Assuming it is in excess of \$100,000—and I am referring to the rental of that microwave—does it require approval of the governor-in-council?

Mr. OUMET: My interpretation, and what I already have given, is that it does not. Your question concerning personal property, what constitutes it and rental of personal property, leaves some doubt in my mind, and I think we had better check.

Mr. CREAGHAN: Well, I would like you to check.

Mr. OUMET: We always have construed it as the rental of a service, not the rental of a property. For example, we do not require approval of the governor-in-council when we make a contract with the Hydro Electric Commission for power, even if it is more than \$100,000. We consider that as a service, the same way as we always have considered the rental for the transmission of programs as a service, and not as the rental of property, for the good reason—and this now is becoming clearer to me—that we do not rent their property. It is still their property. We cannot use it. They simply take our program and guarantee the delivery of it at a certain point. Therefore, I think it is not the rental of real property.

Mr. CREAGHAN: I have a final question. Is your lease for a term in excess of five years?



Mr. OUMET: I would think the lease would be for five years. However, that depends on whether the extension to Moncton has been made to coincide with the termination of our main contract. I believe our main contract was made for ten years. So, if there was only four years to go, then, of course, we would have made a contract only for four years. I really am not sure on this point.

Mr. McCLEAVE: I think Mr. Ouimet should check with Mr. Laidlaw, as I do not think a lease problem is involved here at all; otherwise, you would be running to the government with your telephone and telegraph bills, as well as everything else.

Mr. CREAGHAN: Well, the purchase of personal property would be involved as well, if it exceeded \$100,000, under this section.

The CHAIRMAN: Ladies and gentlemen, we shall leave that for the time being. We meet again on Thursday at 9.30 in this same room.

—The committee adjourned.

THE FOLLOWING IS AN ENGLISH TRANSLATION OF THE  
DELIBERATIONS CARRIED ON IN FRENCH ON THIS DATE.

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Mr. TREMBLAY: Mr. Ouimet, could you answer this question? You spoke a moment ago of the way new personnel is recruited, of the way your personnel is renewed. Do you advertise for that. It seems to me you said no.

Mr. OUMET: Mr. Tremblay, I said that . . .

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Mr. OUMET: I wish to speak in French, too.

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Mr. OUMET: Mr. Tremblay, you asked me what steps the C.B.C. was taking about its staff turnover and what were the C.B.C.'s procedures about appointments and I answered that we were following the same procedures, the same methods as any well organized business. We try, whenever possible, to encourage people who are already in our employ. On the other hand, we have in our files hundreds and thousands of applications and when a vacancy occurs, we consult our files and try to find a person competent to do the work of the position we have to fill.

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Mr. TREMBLAY: I would like to know this. Do you call for applications from the public? That is what interests me.

Mr. OUMET: Mr. Tremblay, I will complete my answer to this question in French. We do not follow the practice in use in the Civil Service. The Civil Service, I believe, publishes in the press advertisements calling for applications from all interested persons. We do not do that, unless the position to fill is one calling for specialists none of which have already applied for employment. In cases like this, we advertise in the newspapers. This happens quite often, but not regularly.

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Mr. TREMBLAY: This is the very point on which I would like to ask you a question. Don't you think it would be preferable to advertise publicly for applications? This would effectively deal with the criticism frequently aimed at the C.B.C., that it is a closed shop because the C.B.C. personnel is recruited in that way and that others in a large category of citizens find it impossible to get a job with the C.B.C.

Mr. OUMET: Mr. Tremblay, do you suggest that we should follow that practice for all the positions we have, for stenographers as well as supervisors or architects. Frankly, I do not think it is necessary to follow that method because in my belief, we already obtain what you say is inexistant now.

I must say that the C.B.C. is not a closed shop; far from it, we endeavour to obtain from outside the services of competent people who will make a valuable contribution to our programmes as well as to our administration.

The Civil Service system may be a good system for the Civil Service, but the C.B.C. is not a part of the Civil Service and I think we should stick to the methods the value of which is recognized by private enterprise.

The C.B.C. is often asked to act as a private business does. We try to. But then care must be taken lest we should be forced to adopt systems that a private concern would not entertain.

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Mr. CARON: He's an imbecile. What can you do about it?

(Page 240)

Mr. TREMBLAY: Mr. Ouimet, I bring you back to the question I was asking you a moment ago. I understand perfectly that it may be difficult in certain cases to resort to methods used for recruiting civil servants but, in my opinion, the C.B.C. is a Crown company and as such receives—in fact is financed by the taxpayers. For that reason people ask themselves why they cannot apply for positions. They wonder why the C.B.C. does not act the very same as the Civil Service, because as their money contributes to the financing of the C.B.C., they believe they are entitled when it comes to the Canadian Broadcasting Corporation, to the same rights as they enjoy towards the Civil Service. That is why I am asking you if it would not be more equitable to advertise your vacant positions like the Civil Service does.



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

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THURSDAY, MARCH 16, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, and Mr. A. H. M. Laidlaw, General Counsel, of the Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY

OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield,

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Fortin	Morissette
Allmark	Horner ( <i>Acadia</i> )	Pickersgill
Baldwin	Keays	Pratt
Bourbonnais	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Simcoe North</i> )
Fisher	McQuillan	Tremblay
Forgie	Mitchell	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## CORRECTIONS

*Page 186, fourth paragraph in the first and second line thereof, delete "Parliament has decided that it can have its own outlets, and has said: yes, you may also use private affiliates" and substitute therefor the following: "Parliament has decided that it could not have its own outlets"*

*Page 213—eighth paragraph—delete "Yes, mostly we would make certain suggestions to please all parties" and substitute therefor: "Yes, I admit some of our suggestions were pretty strong"*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, March 16, 1961.

(11)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Allmark, Baldwin, Caron, Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell, McGrath, McIntosh, Mitchell, Morissette, Pickersgill, Pratt, Regnier, Robichaud, Simpson, Smith (*Simcoe North*), Tremblay, Webb—(24).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry MacDonald, Executive Assistant.

The following returns, in English and in French, were tabled by the Canadian Broadcasting Corporation and it was agreed that they be taken as read:

1. A list of Vice-Presidents and their responsibilities (*requested by Mr. Chown, March 9th*). (See page 257)
2. The number of employees from 1950 to present with gross salaries and wages paid (*requested by Mr. Chown, March 9th*). (See page 258)

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, drew the attention of the Committee to certain discrepancies in the printed report of Evidence and was allowed to make the necessary corrections. (See preceding page).

The Committee resumed from Tuesday, March 14, the adjourned section by section review of the Broadcasting Act, 1958, with Mr. Alphonse Ouimet, assisted by Mr. A. H. M. Laidlaw, under continued questioning.

The following information was requested from the witness who undertook to table these at the earliest possible date:

1. How many expropriations carried out by C.B.C. during last 3 years and how much money involved in each case (Mr. Smith (*Simcoe North*)).
2. A complete list of C.B.C. investments in Government bonds for the last 3 years (Mr. Robichaud).

At the conclusion of the section by section review of the Broadcasting Act, 1958, it was agreed that Mr. Ouimet would be recalled later and, with other appropriate officials of the Canadian Broadcasting Corporation, be questioned when the Committee proceeds with the inquiry into the administration and operation of the Corporation.

At 10.52 o'clock a.m., on motion of Mr. Pickersgill, the Committee adjourned to meet again at 10.00 o'clock a.m. Tuesday, March 21, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

THURSDAY, March 16, 1961.  
9.30 a.m.

The CHAIRMAN: Ladies and gentlemen, we now have a quorum. I have some reports, and they will be distributed by the clerk. First of all, they contain a list of vice-presidents and their responsibilities, as requested by Mr. Chown on March 9; and, secondly, the number of employees from 1950 to the present with gross salaries and wages paid, as requested by the same member of the committee. They are as follows and may, no doubt, be taken as read.

Agreed.

### CANADIAN BROADCASTING CORPORATION

#### Responsibilities of Vice-Presidents

##### *Appointed Pursuant to Section 31 of Broadcasting Act*

1. Marcel Carter..... Responsible for following staff departments:  
(Vice-President, Administration)
  - (a) Personnel and Organization
  - (b) Industrial and Talent Relations
  - (c) Management Services
2. R.C. Fraser..... Responsible for following staff departments:  
(Vice-President, Corporate Affairs)
  - (a) Information Services
  - (b) Public Relations
  - (c) Station Relations
  - (d) Policy Section
  - (e) French Section
3. J. P. Gilmore..... Responsible for following staff departments:  
(Vice-President, Engineering and Operations)
  - (a) Engineering
  - (b) Operations
  - (c) Operations Control
  - (d) Planning
  - (e) Purchasing and Stores
4. E. S. Hallman..... Responsible for following staff departments:  
(Vice-President, Programming)
  - (a) General Programming
  - (b) Information Programming
  - (c) Sales Policy and Planning
  - (d) Research and Statistics
  - (e) Special Program Projects
5. Col. R. P. Landry..... Responsible for following staff departments:  
(Vice-President, Assistant to the President)
  - (a) Head Office Management
  - (b) Legal Services

In addition, this Vice-President acts as a personal representative for the President, as assigned, and provides executive services dealing with contracts and leases.

## CANADIAN BROADCASTING CORPORATION

## Regular Employees in Television and Radio

Fiscal Year	Gross Cost Salaries & Wages	Average Number of Employees During Fiscal Year	Total Number of Employees End Of Fiscal Year
1949-50 .....	\$ 3,532,335	1,338	1,375
1950-51 .....	4,132,893	1,437	1,454
1951-52 .....	4,940,137	1,502	1,565
1952-53 .....	6,149,422	1,866	1,947
1953-54 .....	8,290,536	2,221	2,971
1954-55 .....	13,092,758	3,473	3,973
1955-56 .....	18,515,939	4,590	5,022
1956-57 .....	22,957,814	5,595	5,939
1957-58 .....	27,212,605	6,258	6,433
1958-59 .....	31,289,687	6,792	7,051
1959-60 .....	34,302,312	7,049	7,153

I am sorry that I forgot last time to ask permission of the committee, but I was requested by the witness, Mr. Ouimet, to make several corrections in the seventh report.

Mr. J. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): On pages 186 and 213.

The CHAIRMAN: Has he the permission of the committee to make these changes?

Agreed.

Mr. OUMET: I have two corrections, one on page 186 where I was reported to have said, in the fourth paragraph, starting with the second sentence:

Parliament has decided that it can have its own outlets, and has said: yes, you may also use private affiliates.

What I said was:

Parliament has decided that it could not have its own outlets.

It is just the opposite.

Then on page 213, in the eighth paragraph, in answer to Mr. Pickersgill I am quoted as having said:

Yes, mostly we would make certain suggestions to please all parties.

What I said was:

Yes, I admit some of our suggestions were pretty strong.

I believe this was reported by the press as such. That is all.

The CHAIRMAN: Now, the committee has progressed to section 30 of the act.

Mr. PICKERSGILL: I wonder, before you go on to the proceedings of today, if I can just put in a question, Mr. Chairman. I should like to ask you whether you consider that it is our duty as a committee to accept the admonition of the acting Prime Minister made in the house yesterday, that we should get on to the consideration of the Exelby case at once. I am not urging that, I am just drawing your attention to the fact that the acting Prime Minister urged us to get on with the matter.



Mr. REGNIER: Mr. Chairman, I think what the acting Prime Minister said was that this matter should be referred to the broadcasting committee, not necessarily that it should go on right away with it.

The CHAIRMAN: I am afraid I was not present; I was busy elsewhere. I have no comments to make on it because I have not seen the answer this morning and I was not present yesterday.

Mr. BALDWIN: The intention of the acting Prime Minister, with his great knowledge of committee work, was that the committee would be the master of its own destiny and, in due course, would deal with it as the time arose.

Mr. MACDONNELL: It is a free translation, perhaps.

Mr. PICKERSGILL: And a free observation. I am not pressing it.

The CHAIRMAN: Are there any further questions on section 30?

Mr. BALDWIN: Yes, Mr. Chairman. I wanted to ask Mr. Ouimet, or possibly Mr. Laidlaw, if you must read sections 30 and 32 together, and when you come to expropriation, does the Expropriation Act require the governor in council to act only in cases where the value exceeds a hundred thousand dollars?

Mr. A. H. M. LAIDLAW (*General Counsel*): In all cases.

Mr. OUIMET: The answer was, in all cases of expropriation he has to follow this.

The CHAIRMAN: Are there any further questions on section 30, or section 31?

Mr. CARON: Yes, Mr. Chairman, could Mr. Ouimet tell us what kind of an arrangement they have come to for the expropriation, when they have just a single house? Do they follow the same type of expropriation? I am sorry, I got up too early this morning; this is not the right section.

The CHAIRMAN: This is section 31. Section 32?

Mr. CARON: I will ask the same question.

Mr. OUIMET: I would ask our counsel to answer this question.

Mr. LAIDLAW: I am not sure I understand the question clearly. The procedure followed by the C.B.C. with respect to expropriation is the same procedure followed in any other part of government service of which I am aware.

Mr. CARON: Sometimes they come to an understanding with the people, even if it is not according to the Expropriation Act, and sometimes they do not. They just go to the exchequer court to finalize the thing. They offer a very low price, so that they will have to go, and this has created hardships to some people who were dispossessed of their house at a very low price. They may have been on a pension and not have had enough money to buy a new house.

Mr. LAIDLAW: On the infrequent occasions when the C.B.C. has expropriated we have based our price on information received from at least two independent evaluators. We consider this to be a fair price. If a settlement cannot be worked out on this basis, the next fair step is to refer to the exchequer court.

Mr. CARON: So you do not offer a very low price so that it would be brought back to the exchequer court?

Mr. SMITH (*Simcoe North*): Perhaps we could have some information as to how many expropriations have been necessary? Possibly it might be slightly overstated.

Mr. CHOWN: Over what period, Mr. Smith?

Mr. PICKERSGILL: Under the present act.

Mr. CARON: It must have been the same act.

Mr. SMITH (*Simcoe North*): Three years.

The CHAIRMAN: That will be produced.

Mr. OUIMET: It will be produced.

The CHAIRMAN: Any further questions on section 32?

Mr. CARON: Have you encountered any difficulties with expropriation in the province of Quebec?

Mr. OUIMET: Not that I remember, but I will ask counsel again.

Mr. CARON: Would it be reported, if you had encountered any difficulties?

Mr. LAIDLAW: No difficulties that I know of, Mr. Chairman.

Mr. OUIMET: I do not know that we have had any in Quebec.

Mr. CHOWN: Could we have the money involved, while they are at it?

Mr. OUIMET: Yes.

The CHAIRMAN: Any further questions on 32? Section 33? Are there any questions? This is on financial provisions.

Mr. ROBICHAUD: On subsection (3), could you tell us if in the last three years the corporation has invested any money in government bonds?

Mr. OUIMET: We have.

Mr. ROBICHAUD: Have you the amount that has been invested?

Mr. OUIMET: Purely from memory, I believe it is something like \$1,200,000. I am afraid I have not got the exact amount.

Mr. ROBICHAUD: I have a supplementary question. Could you tell us if the corporation invested any amount at the time of the conversion loan?

Mr. OUIMET: I would like to check that.

Mr. CHOWN: Could we not have the portfolio of investments? That is not the right word; I am looking for the right word; but perhaps we could have that tabled as an appendix.

Mr. OUIMET: This could be done easily, Mr. Chairman.

The CHAIRMAN: Mr. Robichaud, is that agreeable? A table of all the investments will be produced. Any further questions on section 33?

Mr. FISHER: I expected Mr. Pickersgill would have brought it up. Did you ask questions on this section?

Mr. PICKERSGILL: No, I have no questions on 33.

Mr. FISHER: I would like to ask a question which Mr. Pickersgill should ask. Has the corporation found any difficulties in operating under these financial provisions?

Mr. OUIMET: No, we have found no difficulty in operating under section 33.

Mr. FISHER: Has there been any consideration given by the board to alternate means by which finances could be—

Mr. PICKERSGILL: I think, Mr. Chairman, Mr. Fisher is referring to section 35, on which I will have plenty of questions.

The CHAIRMAN: Will you defer your question to section 35?

Mr. FISHER: If that is where he is going to head, we will wait.

The CHAIRMAN: Are there any further questions on section 33? Section 34? No questions.

Section 35?

Mr. PICKERSGILL: I see no reason why Mr. Fisher should be given priority, since I have been waiting patiently.

Mr. FISHER: He is the senior parliamentarian.

Mr. PICKERSGILL: I have a number of questions that I wish to put to Mr. Ouimet on this section which, as is well known, we opposed very strongly at the time the bill was before parliament and which, we believe, brings the corporation, whatever its views may be, completely under the thumb of the Minister of Finance, and therefore of the government. We feel very strongly that this should be changed along the lines recommended by the Fowler commission, so that the corporation would find its over-all finances controlled by parliament, and have a degree of independence which it cannot possibly have at the present time.

Having made those preliminary observations, I should like to ask the president of the corporation whether, at any time since this act came into operation, there has been any change made in the annual operating budget by treasury board. In other words, has treasury board varied in any particular the amount requested by the corporation for its annual operations?

Mr. OUIMET: The answer is yes.

Mr. PICKERSGILL: Could the president describe the process by which the appropriations are arrived at, so far as the corporation's part in it is concerned?

Mr. OUIMET: We recommend to treasury board a budget for the following year, both in the capital and in operations.

Mr. PICKERSGILL: I am concerned particularly with the operations.

Mr. OUIMET: This budget is first examined by the officers or officials of treasury board. It is then, after discussion, presented in the prescribed form which, I think, is standard. Then it goes to treasury board for decision, before the budget is included as a vote in the blue book.

Mr. PICKERSGILL: In discussions with officials of treasury board, do those officials ask the corporation to give explanations about its operations?

Mr. OUIMET: They do.

Mr. PICKERSGILL: It is perhaps an unfair question to ask Mr. Ouimet, but if he thinks it is unfair, I will not insist on an answer. I assume they review it in the same way that they will review estimates of a government department?

Mr. OUIMET: I do not know in what manner the estimates of the government departments are reviewed.

Mr. PICKERSGILL: Have any variations been made as a result of the interventions of the officials of treasury board before the document is submitted to the board itself?

Mr. OUIMET: I believe that, as far as the officials of treasury board are concerned, the corporation is quite free to maintain its request unchanged; but I believe that there have been occasions when, after discussion with officials of treasury board, the corporation felt that some of the points the officials had brought up, were well taken, and some modification has been made, I would say of a minor nature.

Mr. PICKERSGILL: In other words, the main modifications had been made by the board itself?

Mr. OUIMET: That is correct.

Mr. McGRATH: I wonder if Mr. Ouimet could tell us—this is apropos of Mr. Pickersgill's questions—if there have been any restrictions or curtailments of the activities of the corporation under the new legislation, which were not in effect already? In other words, were there any changes with regard to the autonomy of the corporation?

Mr. OUIMET: If I may deal with the financial provisions first, I would say that of course the new legislation is quite different from the previous legislation.



Under the previous legislation there was no requirement to submit yearly budgets.

You have also asked whether there was a curtailment in our operations as a result of the new legislation. Well, if the budget is cut from the figure which we have recommended, then it obviously entails a curtailment of operations.

Mr. CHOWN: Has the budget been cut?

Mr. SMITH (*Simcoe North*): When the budget may be curtailed, would it be curtailed in relation to certain specific proposals, or is it just curtailed generally, across the board, as it were?

Mr. OUIMET: It is curtailed generally.

Mr. SMITH (*Simcoe North*): Everything is cut?

Mr. OUIMET: That is correct; the cuts have been general and not in specific details. I am talking here about operations, and to the best of my recollection, these were across-the-board cuts.

Mr. SMITH (*Simcoe North*): My second supplementary question is this: when your operating budget is proposed, do you make any differentiation as between transmission and programming objectives?

Mr. OUIMET: The budget is submitted in some detail, and this differentiation would appear in it. However, the cuts which have been made in the last two years have been general ones.

Mr. SMITH (*Simcoe North*): They did not relate, for example, to programs?

Mr. OUIMET: They were not related to programs or to transmission. The initiative has been left to the corporation to apply the cuts as it saw best.

Mr. SMITH (*Simcoe North*): Then we may even conclude that possibly the cuts were due, having regard to the economics of the whole situation—I mean the government situation. But I am not asking you to answer that question.

Mr. McGRATH: Is it true that any reductions which may have been made in your budget by the treasury board were not reductions of your operating deficit, but in effect were reductions of your capital expenditure, or your proposed capital projects?

Mr. OUIMET: No. I have been speaking all along of operations.

Mr. McGRATH: You mean operating deficits or projected deficits?

Mr. OUIMET: We do not consider that these have been deficits.

Mr. McGRATH: Then what are you going to call it?

Mr. OUIMET: They have been cuts in the total amount which the C.B.C. asked of parliament, to pay for the services which we give to the country.

The CHAIRMAN: Now, Mr. Fisher.

Mr. FISHER: I think that Mr. Simpson probably would be asking the same question. Concerning your five year capital program, I assume you have to put in, annually, your five year programs? Is that correct?

Mr. OUIMET: No. We have presented only one five year program, as requested by the act.

Mr. FISHER: Then you do not bring it up to date each succeeding year?

Mr. OUIMET: In the discussion of our operating requirements, we review our five year forecast from year to year.

Mr. FISHER: So then, in effect, the Minister of Finance has before him constantly a five year picture of where you are going in your capital requirements?

Mr. OUIMET: I think I am speaking more of the treasury board than of the Minister of Finance. The government has before it the financial picture for the next five years.

Mr. FISHER: In other words, the ministers of the crown do have a new projection of your capital expenditures—not perhaps in great detail, but as to where you are going in extending services to those parts of Canada which do not have them at the present time?

Mr. OUIMET: They have a general indication.

Mr. FISHER: How does this square with your formula?

Mr. OUIMET: Our formula is reflected generally in all our coverage operations, whether they be in engineering or in financing. It is the same formula that is used.

Mr. FISHER: Surely there is a contradiction between the formula which is set at so much per household, and what you project for the next five year period before the ministers, when you are acting in response to your primary responsibility to provide a national service to all Canadians.

Mr. OUIMET: I do not see a contradiction. But I must say that our presentation to treasury board is of a general nature and not specific as to what we will be doing in five years in a certain area. That is because we simply do not know. We only know that we would like to develop services at a certain rate according to a certain formula.

Mr. FISHER: Is not your goal that of providing service to all Canadians?

Mr. OUIMET: Yes.

Mr. FISHER: And how you would plan over a five year period ahead, so that you may provide service to the many more Canadians under your primary responsibility?

Mr. OUIMET: We try to determine as far ahead of time as possible; but it is not possible to be specific as to what will be done in five years time, because populations change, and other conditions come in. For example, private interests may show an interest in serving a certain community; and all this changes the order of priority that we have established.

Mr. FISHER: From your capital program we get the idea of the amount of priority or urgency you look at in extending service to areas that do not have it now?

Mr. OUIMET: You may have a general idea of the amount which the C.B.C. feels should be allocated for that purpose over the years, but not with specific locations attached to it.

Mr. FISHER: In this capital program do you deliberately show any kind of relationship between the amount of money you spend in extending services to the people who have not got it, and the amount required to give you more production facilities, let us say, in large centres, and an extension of your hours of programming?

Mr. OUIMET: This is something which is not shown in an explicit way, but it certainly is implicit in our figures, because all the figures are presented.

Mr. FISHER: What happens to the five year program in terms of the treasury board? As I understand it the officials of the treasury board, or rather the civil service officials of the treasury board, prepare memoranda on all programming submitted to them. I understand that this is done for the Minister of Finance and the actual ministers who are sitting on the treasury board. Are you given any indication of what is in these memoranda, as a criticism or an analysis of your program?

Mr. OUIMET: No, we do not know of any memoranda of that kind.

Mr. FISHER: You just put in your capital program, and that is all. It hangs there?



Mr. OUIMET: It has to be reviewed. By the way, the provision of the act is that this be submitted to the two ministers for presentation to council, and we undersand it has been presented to council.

Mr. HORNER (*Acadia*): In this five year capital program, your projection as to where you are going in five years, do you tie it in with an estimate of the number of households you will be reaching, or the degree of density you will have reached in respect of households.

Mr. OUIMET: Our capital program provides for amounts of money from year to year to extend our service in areas which we are not now serving, and also provides for many other things. As I have said, we are following a very definite formula in the extension of coverage. However, our five-year capital program outlines that formula as such. The capital program is more in the nature of an estimate. The way we proceed in the development of the service is well known and has been discussed with the treasury board on other occasions. It is well known to the government and I think was explained at the last committee. I also believe we will be explaining it in detail again to this committee.

Mr. HORNER (*Acadia*): Do you tie this into the cost of the proposed extension of your services to the number of households? In some areas it would be more difficult to extend your service per one thousand homes than in others.

Mr. OUIMET: Yes. This is the whole basis of the order of priority which we give to different projects. We proceed with those projects which cost the least per head. This is why very often some communities, which are some distance away from our main networks or which have small populations, sometimes do not understand why they have to wait so long. The reason they have to wait is because there are many other communities which have priority over them, due to the fact that the cost per head or per home served is much smaller.

Mr. HORNER (*Acadia*): Would the same thing not hold true in areas where costs would be low? What I am referring to is, for instance, the plains of Alberta or Saskatchewan where you would have a very low cost in respect of extending service, in comparison to the cost in the mountainous areas.

Mr. OUIMET: The topography of the area we serve is one factor; but an even greater factor is the dispersion and the size of the population.

Mr. HORNER (*Acadia*): The two have to be tied in together.

Mr. OUIMET: Yes.

Mr. SIMPSON: Mr. Chairman, Mr. Ouimet mentioned it was difficult over a period of years to forecast the possible planning when you have to take into consideration population changes. He also mentioned the fact that possibly private stations from time to time are interested, or become interested, in going into these areas. The overall coverage that you claim at this time takes into consideration that the private stations affiliated with the C.B.C. are covering many of these areas. Assuming that the population did not change greatly in certain areas, would it be possible to forecast your plans over a four or five year period regardless of whether or not private stations went in? Of course, if they did come into the picture two years later it would be understandable that you might have to change those plans. What I am getting at is, could the C.B.C. make a forecast in respect of these areas without considering that private stations would be coming in, because if they did they probably would be affiliated anyway.

Mr. OUIMET: This is what we do. Our plans are based on what we think should be done to extend our coverage and to bring service to those areas which are not getting it now. In certain instances we know that there will be



some private interests which may decide to apply for a station or a satellite in one of those areas. We keep modifying our plans in the light of these changing conditions. The trouble about making such plans public five years ahead of time must be obvious to you. That is why we have not done it, why we have considered these plans as more or less confidential. They are preliminary in nature, they are tentative, and many things can happen which would require that, because of later information as to population and because of what you have mentioned,—that is some private station coming in,—the priorities might have to be changed. This is why we have hesitated to make these plans public. Once they are made public you can imagine what would happen if, for some reason or other, we were unable to provide the service at the date stipulated. I can think of one very good reason why we might not be able to do this: the money might not be available as we expect or as we hope it will be.

There is another difficulty; in our tentative plans the engineering is not complete. Obviously our preliminary plans are not based on a thorough engineering study of the local situation. There is no use studying a problem now which may be solved only in three or four years. For our preliminary planning we make a rough study based on the information we have, but we do not send engineers out on the spot. Later, when our engineering study is complete, the costs revealed are sometimes different from our earlier estimates. That would change the order of priority. I think if we were to deal with all these contingencies publicly it would be very difficult for us and might lead to a lot of difficulty outside the corporation.

Mr. SIMPSON: I believe we had a figure of 300,000 homes which are yet to be serviced. There is no doubt that a certain percentage of those homes are absolutely not served in any way. Then, there is a large group of homes on the fringe area of two or three stations which in their opinion are not getting satisfactory service. Many of the complaints in the outlying areas are to the effect that these people are getting some service and others are absolutely unserved. These are the people who are demanding information as to when the area will be serviced. When you tell these people in areas which are far from service that an area such as Pembroke, which is close to Ottawa and must be on the fringe area, is getting service, it is difficult for them to understand.

Mr. OUIMET: We keep all these things in mind. In the last year or so we have tried to keep the public better informed of our plans with regard to coverage. In the years prior to 1960 we did not make any public statement until we had received final approval for the project. More recently, however, once we have decided to apply for a station we have made it known publicly. In this way the public knows we are applying. They know it will come up before the B.B.G. and they will know the B.B.G.'s decision. In this way we are able to advise the public four to six months earlier than previously.

Mr. MCINTOSH: With the forward planning of your corporation I am wondering if you could tell us what your estimation would be of the time it would take to provide service to all the homes which you think require it.

Mr. OUIMET: Of course it will be impossible to provide service to all Canadian homes.

Mr. MCINTOSH: Then, I will say communities.

Mr. OUIMET: Even to all communities. Already we are working on an operating cost of about \$20 per home per year. We have done all the communities which could be done for fifty cents per home and have gradually moved upwards in the range of \$20. In fact we are moving rapidly into the range of \$30. A time will come when not only the corporation but also parliament will have to judge just where the limit should be put on this. We all know that by the time it gets to \$50 per home it may perhaps be too costly.

Mr. McINTOSH: I was not sure that the corporation was too interested in the cost of providing service per home in Canada. I thought it was service you were supposed to be giving, regardless of cost.

Mr. OUIMET: Of course we have to keep in mind the cost of adding to our coverage in relation to the other things we have to do.

Mr. McINTOSH: The point I want to get at is this: in some of these isolated cases, as members representing the people there, we can tell them they will never get television because of the cost factor.

Mr. OUIMET: It depends on the situation. If you are thinking of television for the arctic circle, this is some years away. I must say we are up to 94 per cent coverage in television now. The last six per cent would cost more than the first 94 per cent. It is impossible.

Mr. McINTOSH: Could any member of parliament, representing his constituency, go to you and obtain information which he could pass on to the people in an isolated area that, provided the money is available, they will get television in four, five, six or seven years at the maximum.

Mr. OUIMET: We have tried to cooperate as much as possible with the members of parliament. They come to see us. A large number have done so. We try to give them all the facts. If we are uncertain as to a date we tell them what the uncertainty is. If we are optimistic we try to get them to share our optimism, and vice versa. If you have something more specific in mind I do not think I can deal with it at the moment.

Mr. PICKERSGILL: From the answers you have given to these specific questions I have rather gathered that you see no really useful purpose being served by this five year capital budget, and that all it does is create a secret document which would be most undesirable to have made public and which would create embarrassment to the corporation. If parliament saw fit would you be in favour of having that requirement of the corporation removed from the act?

Mr. OUIMET: No, it is not embarrassing to us in any way. It is useful to have a plan which can be referred to year after year, even if it is not a plan which has been approved finally. You can compare what you have this year with what you had planned the year before. It has been useful to us.

Mr. PICKERSGILL: Do you think it would be more useful to the corporation to have a five or six year projection of the operating budget.

Mr. OUIMET: I think the position of the corporation on this question is well known. It has been expressed publicly several times during the last 25 years. The last time it was done was before the Fowler commission, and we indicated a very strong preference for a financial basis which would provide for statutory financing over a number of years, rather than by means of yearly budgets. I am speaking of the position taken by the corporation in the past. Since the act was changed and since we were placed on a yearly budget basis, I must say that we have set our minds to working under this arrangement, and we on the board have not discussed this question in any depth. We have taken the matter as being decided and have gone to work on that basis.

Mr. FISHER: I should like to have some opinions from Mr. Ouimet, so to speak, on the other side of the coin. He has made a very strong case as to why he cannot go into detail on the extension of service but, if you are speaking to people who have the executive authority to provide you with the money or, at least, to the members of this committee, why should you not tell them where you are going and what you plan to do?



Mr. OUIMET: We have no objection to doing it, so long as it is understood that our plans are subject to fluctuation, depending on changes in conditions and whatever further study may reveal.

Mr. FISHER: Mr. Horner brought up the point and there are a whole host of factors involved, one being that it is much cheaper to provide service in the prairies than it is in the Laurentian shield.

Mr. OUIMET: Not necessarily.

Mr. FISHER: But surely it is, in technical terms?

Mr. OUIMET: No; you might get a nice mountain in the Laurentian shield which would provide you with beautiful coverage.

Mr. FISHER: Would it be fair to say that in providing coverage on the prairies the cost per home would be lower than the cost of reaching communities in the Laurentian shield?

Mr. OUIMET: It would depend entirely on the density of population in the particular areas on the prairies which you have in mind, compared with the density of population in areas in the Laurentian shield, or anywhere else.

Mr. FISHER: The thing which disturbs me in relation to your program is that there is no equity for the citizen, no matter where he lives, and you present the argument, which seems to be so convincing, about the tremendous cost per home. Surely we need to know more about the factors involved other than costs?

Mr. PICKERSGILL: If I may raise a point of order, I wonder has this anything to do with the statute itself rather than with a very intricate side of the operations of the corporation. I should add that I am not vehemently trying to cut Mr. Fisher off, but there was an understanding that we would go on with the act first.

Mr. FISHER: I shall concede that point and I am sorry to have gone into it at this stage but, as far as I am concerned, it is the most fundamental matter that we shall have to deal with in this committee this year. We shall have to get down to grips with it and later on, if other members of the committee agree with me, we shall want to know a great deal more in detail about the costs of coverage and about the extension of coverage.

The CHAIRMAN: I believe Mr. Simpson asked for those figures in detail, and this will arise later.

Mr. MCINTOSH: I believe this has something to do with the five year capital program and I would like Mr. Fisher to pursue his line of questioning. It is analogous to putting a trans-Canada highway across the prairies where the cost is much less than putting it through a mountain range.

Mr. FISHER: But it is still put across the mountains.

Mr. MCINTOSH: I think the same thing should apply to television coverage, regardless of cost.

The CHAIRMAN: Mr. McIntosh, you will understand that the technical witnesses are not available now to answer this sort of inquiry in so far as costs of operations are concerned.

Mr. MCINTOSH: I think we are asking this in a general manner. We are not asking for specific things.

Mr. FISHER: I am prepared to accept the point of order raised by Mr. Pickersgill because the main thing I wanted to do, and which I think other members wanted to do, has been accomplished. It was my intention to let Mr. Ouimet feel the sense of urgency that we entertain in this particular matter.



Mr. OUIMET: May I say something? We know this is very urgent because we have hundreds of requests for service, and we are proceeding as fast as we can within the funds provided and according to the order of priority.

Mr. MACDONNELL: My point is the same as Mr. Pickersgill's about the five year period. As I listened to Mr. Ouimet I understood his point about the difficulties of looking ahead for five years was the fact that they conferred every year with representatives of the treasury board as to the expenditures for the following year. It seemed to me that in effect you are acting as if the act does not say "every fifth year" in section 35, and I think it would be better to have the actual practice ratified by the statute.

Mr. OUIMET: Are you asking me a question, Mr. Macdonnell?

Mr. MACDONNELL: Yes.

Mr. OUIMET: I believe that rolling forecasts, as they are called, from year to year would be something which the corporation would be quite happy to provide.

Mr. PICKERSGILL: If I may ask a supplementary question, if I want to make mischief surely there is nothing to prevent me from putting down a motion in the House of Commons asking to have that five year program tabled in the house and, since it would be required by parliament, the minister would find some little difficulty in producing reasons to show that it was not in the public interest to do so? It seems to me that if this is not in the statute there should be a document that could be made available; but, having been in government myself, I agree that to make a five year forecast of a capital program, particularly in this field, is just going to create all kinds of expectations that will not be realized, and all kinds of disappointment.

I can see the value to the corporation of knowing where it is going but, as I said, it does seem to me that the production of a document which is not really in the public interest is just creating unnecessary difficulty.

The CHAIRMAN: Have you any comment to make on this, Mr. Ouimet?

Mr. OUIMET: I have no comments to make on the parliamentary aspects of the problem.

Mr. SIMPSON: Mr. Chairman, I do not want to prolong this discussion to any great extent because I realize we are going to have an opportunity of dealing with it later in more detail with Mr. Ouimet and members of the board. But, there is one thing that I should like to get on the record, and that is in relation to Mr. McIntosh's question regarding these remote areas. Mr. Ouimet in his answer stressed the phrase "providing funds were available". The frustrating part of this for any member trying to explain it to the people wanting these services is the fact that when you present your budget to the treasury board, if it is cut down it is cut down in generalities.

We must agree that the treasury board has jurisdiction to determine that cuts will be made, but the people in the areas not receiving television service will want to know the reason for these cuts and will want to know where they come off. Do they come off to a greater extent from what you budget for extension of services, or do they come off a little bit from programming and a little bit from operations? Why should you say "if money is available"? Why do you not lay down a period of, say, two or three years in which to provide service for a particular area, and have done with it?

Mr. OUIMET: Mr. Simpson, I am happy to be able to report that, to the best of my recollection, we have never applied a budget cut to the coverage side.

Mr. SIMPSON: It is very interesting to know that. There is one other question I should like to ask in this regard. I asked this question two years ago and received an answer to it, but since that time I have continued to hear rumours about the situation. I should like to have information provided at the next meeting in relation to the situation in Churchill. The people there have told me that the United States air force has definitely offered to instal television for the benefit of the people in the army camp, and this installation would naturally provide television for the people in Churchill town. When I asked this question two years ago I believe the answer I was given was that this request had never come to the C.B.C. and it had not been told that the United States air force would be willing to do this. In fact the people there feel you may have prevented the United States air force from doing it.

Mr. OUMET: We have no knowledge of this at the moment.

Mr. SIMPSON: There is one final question, standing in the name of Mr. Chown. Before he left the meeting he asked me to find out how much, in dollars, was requested of the treasury board over the last two years and how much did the treasury board actually allow. He could find out the last figure in the estimates but he wished to know the total sums requested.

The CHAIRMAN: I do not know if that is in order for an answer.

Mr. SIMPSON: It is just a question which Mr. Chown left for me to put.

Mr. PICKERSGILL: Mr. Chairman, on the point of order you have raised about this question, I want to say I am very glad it was asked by a supporter of the government because this kind of question—

An hon. MEMBER: There are no politics here.

Mr. PICKERSGILL: Apparently it was asked by a very innocent supporter of the government, because there could be no question in which there could be more politics.

Mr. SIMPSON: You mean I am a very innocent member?

Mr. PICKERSGILL: No, I am saying Mr. Chown is, and there is nothing wrong with being innocent. The point I am making is that this question would reveal precisely the extent to which the C.B.C. is under the thumb of the Minister of Finance. If they give the figures asked for and the figures which the Minister of Finance allows, then we have a precise measure of the extent to which they are under the thumb of the Minister of Finance.

The CHAIRMAN: I think we had better leave this question until Mr. Chown is present.

Mr. PICKERSGILL: I should like to join with Mr. Chown in putting the question, but I shall not press for an answer until you consider the point of order.

Mr. MACDONNELL: Are you innocent too?

Mr. PICKERSGILL: Quite. I have a further question. Are the operating budget and the capital budget submitted separately to the treasury board?

Mr. OUMET: Yes, they are.

Mr. PICKERSGILL: And they are two votes?

Mr. OUMET: Yes, they are two votes.

Mr. PICKERSGILL: Then it would not be possible, if there was a reduction in the operating budget, to transfer funds from the capital budget to operations?

Mr. OUMET: No, the two are completely distinct and we must stay within the funds in each case.



Mr. PICKERSGILL: And in respect to the capital fund, if there are any changes made in that by the treasury board, are they made with respect to the individual components of it or is it left to your complete discretion as to which projects could be left out?

Mr. OUMET: Generally speaking, a reduction has been of a general nature, leaving discretion to the corporation to do its best within the total amount left, though I think there was a specific case where it was agreed by the corporation not to proceed with a certain specific project.

Mr. PICKERSGILL: A specific project?

Mr. OUMET: Yes, but I do not think it was so much an instruction as discussion and agreement by the corporation.

Mr. REGNIER: Mr. Ouimet, you stated you had 94 per cent coverage. That, of course, refers to television?

Mr. OUMET: Yes. In radio it is higher than that but it is still only 97 per cent total coverage.

Mr. REGNIER: Would you have separate figures for the French language network and the English language network?

Mr. OUMET: I think we can provide those.

Mr. REGNIER: How do they compare?

Mr. OUMET: In the province of Quebec the coverage is very good.

Mr. REGNIER: How is it for French speaking Canadians outside Quebec? I think the percentage would be very low.

Mr. OUMET: If you are saying there is quite a number of French Canadian viewers who do not get service in the French language, that is one thing. On the other hand, they do get television service.

Mr. REGNIER: You have, for example, an English television station in Quebec city and you have none in Toronto where the French speaking population is about three to two, to the advantage of the French speaking population.

Mr. OUMET: In this particular case the English language station in Quebec city is privately owned. It is affiliated to our networks but it is not a C.B.C. station.

Mr. PICKERSGILL: I have another line of questioning for Mr. Ouimet. It has to do with the annual capital budget. Presumably, in the capital budget, there are items for new stations from time to time. Has a project of that kind ever been put into the capital budget before the B.B.G. has approved the station?

Mr. OUMET: Yes, we have had to do this in the past, because the B.B.G. regulations stipulated that we could not apply until we were able to guarantee that we had the funds for it.

Mr. PICKERSGILL: Was there ever an occasion when you applied to the B.B.G. for a licence for a projected outlet, which had already been approved by the governor in council, and for which there was a vote?

Mr. OUMET: No, not in that sense. We apply for a project for which provision has been made in our estimates and those estimates have been budgeted for. But as I have already mentioned, the details of it are not given to the corporation, in great part. So I have always taken it to mean that we were simply meeting the requirements of the B.B.G., and also that while the funds were there, they would certainly not be made available to us, should the B.B.G. turn the application down.



Mr. PICKERSGILL: In section 35(1), these words occur:

The minister shall annually lay before parliament a capital budget . . .

I shall not mention the operating budget at this time.

. . . for the next ensuing financial year of the corporation, approved by the governor in council on the recommendation of the minister and the Minister of Finance.

So this annual budget means something. According to the statute, it is not simply a document for the use of the corporation, but it is one which has to be approved by the governor in council.

Mr. OUIMET: I agree.

Mr. MACDONNELL: Does that mean that when this matter is discussed with the finance department it is discussed without knowledge as to whether or not the B.B.G. will approve it? In other words, they do not have the overall facts before them?

Mr. OUIMET: That is perfectly correct. I think there are two separate things: firstly, the provision of money, if the B.B.G. approves the application; and secondly, the B.B.G. has to decide whether or not on other grounds it will approve the application.

Mr. PICKERSGILL: This point was brought up when the B.B.G. was here, as Mr. Ouimet is well aware, I am sure. It was the grievance of a private applicant in Edmonton last year, that since the C.B.C. station had already been approved by the governor in council, and since it was known that the money was available, that the application before the B.B.G. was simply a farce or a formality.

Mr. SMITH (*Simcoe North*): I think Mr. Pickersgill is reading more into it than the act tells us.

Mr. McGRATH: Which comes first, the chicken or the egg?

Mr. LAMBERT: It is a rather long-distance operation.

Mr. PICKERSGILL: Surely it cannot mean anything more than that if the C.B.C. is approved for a station by the B.B.G., then the money is in the budget.

Mr. OUIMET: That is all we took it to mean, I can assure you. When I went to Edmonton, I went to plead a case. I did not feel at that point that we had anything else but approval of the funds conditional upon receiving a licence which was yet to be won.

Mr. SMITH (*Simcoe North*): Is it not a fact that one of the conditions that these private applicants have to fulfil, before they appear before the board to seek a television licence, is that they have the financing of their station in sight?

Mr. OUIMET: That is correct.

Mr. SMITH (*Simcoe North*): So this means that you are in no other position than that of a private applicant?

Mr. OUIMET: The same position.

Mr. MACDONNELL: That is not right. It may well create a situation where the corporation has been granted funds for a certain purpose which now fails. What happens to that money? Is it used for other purposes?

Mr. OUIMET: It is not spent.

Mr. MCINTOSH: Mr. Ouimet has said that topographical features do not necessarily increase the cost. And he said that after 94 per cent of an area is covered, the cost is now increasing. I wonder if he could give us some idea as to what factors make it necessary for an increase in cost?

The CHAIRMAN: Could we not perhaps delay the answer to that question and have it answered later, because I imagine it would require a very technical reply, including perhaps maps and station contours.

Mr. MCINTOSH: No. I just wanted a general idea.

Mr. PICKERSGILL: I think that question belongs in the whole category of questions which you have ruled out of order. I was in the midst of asking one or two questions which I wanted to pursue.

Mr. MCINTOSH: I already had begun to pursue a line of questioning. But you may ask your questions.

Mr. PICKERSGILL: I submit that my questions are based on the act, and therefore I should be allowed to complete them.

The CHAIRMAN: I think Mr. Fisher has a question on the act.

Mr. FISHER: Coming back to something which has already been gone over, the whole question of the framing of the capital program every fifth year, would an amendment to this subsection which indicated that the capital program would be kept up-to-date, as you seem to suggest in reality it is—would it be a useful amendment in your opinion?

Mr. OUMET: I believe it would be useful.

Mr. PICKERSGILL: If I may pursue the line of questioning I started about this problem of having a capital budget, so far as a new project is concerned, which has to be approved by the governor in council, I assume that the governor in council in approving it has to decide whether or not it is in the national interest to have a C.B.C. outlet at a particular place. I believe this was the case with respect to Edmonton last year.

Mr. MACDONNELL: It would seem to me that the legislation clears up that problem.

Mr. PICKERSGILL: What does "approval" mean? It seems to me that here is a real anomaly in the law. I think Dr. Stewart recognized it when he gave his evidence. It is that you have to have the approval of the governor in council, with provision of the money, before you go to the B.B.G. Then the B.B.G. is asked to say that something which the governor in council has said is not in the national interest. It seems to me that this creates a real defect in the act.

The CHAIRMAN: Have you any comments to make?

Mr. OUMET: I think Dr. Stewart mentioned that he found it awkward to deal with the Edmonton application. I had never realized before that this was the case, because as far as we were concerned, all we took from the approval of the budget was simply that it was a contingent approval which was dependent entirely on the outcome of another step which was yet to be taken—that is, the application for a licence. That is the way we took it. But I can see that the whole area offers some difficulty.

On the other hand, I think that other alternatives would have to be analysed very carefully, to see whether or not there would be even greater difficulty under other alternatives. If we did not have the money provided for, and if we applied when we were not sure we would get the money if we got the licence, then, in that case, after both the C.B.C. and the B.B.G. had publicly approved of something, I can think of the sort of situation that it would create for parliament or the government. So there is a problem the other way.

Mr. PICKERSGILL: Would Mr. Ouimet think that it would be preferable to go back to the system which prevailed before the operation of the present act, when the governor in council decided what places should have public stations, and the rest of the field was left open to private stations?



Mr. LAMBERT: It is always interested in what the stations have to say.

Mr. PICKERSGILL: As Mr. Ouimet will recall, when the original television program was laid down, six places in Canada were selected where the C.B.C. would permit stations, while other places would be left open entirely to private applicants. But now they have become so active that other private applications are received, and have been approved by the governor in council.

Mr. LAMBERT: Did the governor in council ever discuss what yardsticks they would use to determine where the C.B.C. stations should go?

Mr. PICKERSGILL: Yes; there was a very clear statement made at that time. The places were Vancouver, Winnipeg, Toronto, Ottawa, Montreal, and Halifax. It was quite obvious that these were the places.

Mr. LAMBERT: Were there any public hearings?

Mr. PICKERSGILL: No.

Mr. LAMBERT: In other words, everybody in the private field in those areas was told to go home, and he was told arbitrarily.

Mr. SMITH (*Simcoe North*): Mr. Pickersgill suggests that there is an anomaly in the act. I do not agree with that. But even assuming that he is right, it would seem to me that his cure might be worse than the disease, because you would then have to reverse the position of the cabinet, with the Minister of Finance having the power of veto over the B.B.G. In the case where the B.B.G. has given a licence or given permission to erect a station, then the Minister of Finance could veto it. Therefore I believe that the possible cure would be worse than the imagined disease.

Mr. PICKERSGILL: That is the situation now. The B.B.G. does not grant a licence. It simply recommends a licence; and the governor in council would still have to approve it. That is the situation in the law now.

The CHAIRMAN: Are there any further questions on section 35? If not, section 36 "report to parliament". Are there any questions?

Mr. FISHER: Why is it that last year, in particular, we had to wait right until the last day of the period for the report.

Mr. OUIMET: Generally speaking, we just manage to get under our deadline, which is three months after the end of the fiscal year. That is the deadline for submission, for presentation to the minister. Then I believe there are two weeks, or 15 days after that before the report has to be tabled. I think every year we have had to reproduce the report in a large number of copies by duplicating process, because we were not able to get it printed in its final form until later.

The reason for this is that we have to close our books at the end of the fiscal year. We then have to bring in all the accounts and the bills from our creditors and various agencies. And after this there is a lot of work to be done by our accounting services. The report has to go to our finance committee; then it has to go to the whole board of the C.B.C. Usually the board meeting is the annual meeting, and it is held in June, fairly late in the month. Therefore we have very little latitude to do better than we have done in the past.

Mr. FISHER: The point I want to raise is this: I do not think you are any more complicated in financial terms than is the Canadian National Railways, and it has managed to get its report ready six months after the end of its financial year. The annual report of the Canadian National Railways is ready for us now, and it is only two and a half months since the end of the year.

The point is that we have to debate the estimate in the house when we do not have before us your annual report. I know that this happens in the case of the Canada Council, where they tend to be a year behind. But is it not possible for you to speed up so that we may possibly have your annual report before the debate?



Mr. OUIMET: We shall see what we can do, Mr. Fisher. But there are real difficulties in doing it.

In previous years, if you take a look at four, five or six years ago, I believe the sessions were not so long. Our estimates came some time in May or June, but our report at that time was never available because, of course, the sessions ended before the report came out.

More recently, however, because the sessions have been longer, this question has come up. The problem is that when you are discussing our estimates, you do not have our annual report.

But it should be remembered that the Canadian National Railways operate on a calendar year basis. They have managed to bring out their report around April. This would be the same three months period that we have.

Mr. FISHER: I think their report was tabled yesterday. I am suggesting that if you possibly could do it we probably could get an arrangement with the house leader through this new all-party committee so that we have the report in time for debate.

Mr. OUIMET: All I can say is we will try to keep your needs in view.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: I would like to ask if it is always possible to have the report ready at the same time in both languages?

Mr. OUIMET: Of course that is another problem. We hesitate to bring in the report in English before it is available in French, or vice versa.

Mr. PICKERSGILL: Have you ever thought of having it written in French and translated into English?

Mr. OUIMET: It would be an interesting experiment.

The CHAIRMAN: Are there any further questions on section 36?

That completes this part of the act.

We will now proceed to part III, transitional and repeal. Are there any questions under part III?

Mr. FISHER: On section 41, I would like to ask, how has this section affected you?

Mr. OUIMET: We have had no problem at all under section 41.

The CHAIRMAN: If there are no further questions, this will complete our examination. We will hold over the operational part of the act until the C.B.C. is with us again on operations and procedures.

A motion for adjournment is in order.

--The committee adjourned--







274'  
HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

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TUESDAY, MARCH 21, 1961

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WITNESS:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

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*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

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Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forge

Fortin  
Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell

Morissette  
Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, March 21, 1961.

(12)

The Special Committee on Broadcasting met at 10.00 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Caron, Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Keays, Macdonnell (*Greenwood*), McCleave, McGrath, McIntosh, McQuillan, Mitchell, Pickersgill, Pratt, Regnier, Richard (*Ottawa East*), Robichaud, Simpson, Smith (*Simcoe North*), Tremblay, Webb—(25).

*In attendance:* From the Board of Broadcast Governors: Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman; Mr. Bernard Goulet, Member; Mr. W. D. Mills, Secretary; Mr. W. C. Pearson, Counsel.

Before the proceedings commenced the Chairman announced that the Subcommittee on Agenda and Procedure were recommending, and it was so agreed, that an attempt be made to complete the hearings with the Board of Broadcast Governors this week and in that event the Committee would not, as originally planned, hold a sitting on Tuesday, March 28.

As the proceedings opened the Chairman noted that 7 returns were still to come from the Canadian Broadcasting Corporation and it was agreed that as they were received they be distributed forthwith to the members. He also informed the Committee that the following returns had been tabled:

1. Copy of letter dated January 4, 1956, from the Deputy Minister of Justice, to the Chairman of the Canadian Broadcasting Corporation, as it applies to the interpretation of Section 17(1)(a) of the present Broadcasting Act, 1958, as requested by the Hon. Mr. Pickersgill. (*To this has been annexed, for the benefit of the members, copy of the letter of Mr. A. D. Dunton, reciting the items upon which the said legal interpretation was being sought*). In both English and French. (*See Appendix "A"; in English, page 301; and in French, page 303*).
2. Memorandum on the Board of Broadcast Governors procedures and decisions in the Peterborough case in compliance to a request made by Mr. Caron. (*See Appendix "B"; in English, page 306; and in French, page 326*).

It was agreed that these be appended to this day's printed report of Proceedings as indicated above.

Mr. Pratt, rising on a question of privilege, drew the attention of the Committee to a Canadian Press report concerning a question he asked regarding the size of C.B.C. staffs in both the city of Montreal and the city of Toronto. (*See page 278*).

The Committee then resumed from February 20, the adjourned section-by-section review of the Broadcasting Act, 1958, with Dr. Andrew Stewart, Chairman of the Board of Broadcast Governors, again under questioning.



During the examination of Dr. Stewart, Mr. Pickersgill requested that the Deputy Minister of Justice be invited to attend before the Committee at its next sitting so that his views be obtained on certain questions arising out of the study of certain provisions on the Broadcasting Act, 1958. After some discussion, it was agreed that this proposed suggestion of Mr. Pickersgill be referred to the Subcommittee on Agenda and Procedure for consideration and report.

And the examination of Dr. Stewart still continuing, it was further adjourned until the next sitting.

At 11.54 o'clock a.m., on motion of Mr. McGrath, the Committee adjourned to meet again at 9.30 o'clock a.m. on Thursday, March 23, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

TUESDAY, March 21, 1961.  
10 a.m.

The CHAIRMAN: Good morning, ladies and gentlemen. We now have a quorum and the meeting will come to order. After last week's regular meeting, your subcommittee met and we rather hoped we would get through with the B.B.G. on the act, before next Tuesday so that we would not have to meet on that day.

Mr. PICKERSGILL: Hear, hear.

The CHAIRMAN: However, I suppose that will depend on how many questions members of the committee wish to put to the representatives of the B.B.G., in dealing with the act.

At meetings of the committee on March 14 and 16, seven items of information were sought by members of the committee from the C.B.C. and I think it might be as well if the tables and statistics giving that information were distributed to members before we recall the C.B.C. We can distribute them as they are received. Is that agreeable? These items, I may add, were requested by Mr. Smith (Simcoe North), Mr. Keays, Mr. Pugh, Mr. Pratt and other members.

We also have a letter concerning a question which was referred to the Department of Justice. I think it was Mr. Pickersgill who asked the question which referred to the interpretation of section 17 (1) (a) of the present Broadcasting Act, and copies of that letter can be distributed today. We also have a large report on a request put by Mr. Caron to Doctor Stewart, concerning certain events surrounding the Peterborough byelection. It is 30 pages long. Mr. Caron might agree to have it incorporated in the minutes of today's proceedings? We shall distribute it now. Would you accept the distribution of it today and agree to have it incorporated in the evidence?

Mr. CARON: I agree to that course, provided we can return to it later, if necessary.

The CHAIRMAN: Is that agreed?

Mr. CARON: Yes.

The CHAIRMAN: I do not think it is necessary for me to read it at the present time.

Mr. CARON: We can read it in the report of today's proceedings and, if any further question arises on it, we can return to it.

(See appendix "B".)

The CHAIRMAN: It is very large and extensive. We will distribute copies of it now and have it incorporated in the evidence.

Agreed.

Mr. PICKERSGILL: Mr. Chairman, you mentioned the opinion of Mr. Varcoe which, as I recall it, is quite short. I wonder would you read that out now because I suspect it is something on which we could again question the B.B.G.

The CHAIRMAN: Appended to it is the question from Mr. Dunton, which he put to the Minister of Justice at the time, and I do not think it would serve a useful purpose to read the answer without also reading the two page question.

Mr. PICKERSGILL: Well, read the two page question.

The CHAIRMAN: That will take some time.

Mr. PICKERSGILL: Read the answer first.

The CHAIRMAN: But the question is two pages long.

Mr. PICKERSGILL: You are a good reader.

Mr. PRATT: May I rise on a point of privilege? As reported on page 234 of the proceedings on March 14, I asked a question in regard to the size of C.B.C.'s staffs in both the city of Montreal and the city of Toronto. This was reported by the Canadian press of March 15, and, for some reason which I have not yet been able to fathom, they reported it as a question relating only to the city of Montreal, which the Canadian Press described as the centre of the French network. I should like to have it very clearly understood that my question referred to both Montreal and Toronto. I should not like Montreal to think we were picking on them alone, nor do I want Toronto to think they were being ignored. I am sure the members of the Canadian Press would not want to give any false impression by any accidental omission.

Mr. PICKERSGILL: Mr. Chairman, I withdraw my request that you read both the question and answer.

The CHAIRMAN: I think it would be better to have all these things incorporated as an appendix to today's proceedings. Is that agreeable?

(See appendix as "A" (i), (ii) and "B")

Mr. PICKERSGILL: Yes.

Agreed.

The CHAIRMAN: We had got into section 11 of the act with the B.B.G. on the last occasion we met with them. Mr. Fisher is not here at the moment. Are there any further questions on section 11? Members will recall that we also held over section 10. Are there any further questions on section 10?

Mr. PICKERSGILL: I wonder if it would not be a good idea to deal with the rest of part I of the act now. For one thing, Mr. Fisher might be back and I think we might make better progress by continuing with the act.

The CHAIRMAN: Are there any other comments on that suggestion? Then we shall hold over sections 10 and 11.

Mr. CHOWN: Agreed.

The CHAIRMAN: Are there any questions on section 12, subsection 1—applications for licences to be referred to board?

Mr. McCLEAVE: I wonder if Doctor Stewart would indicate whether the B.B.G. has views on each section as we come to it. I believe that was the procedure which we previously followed.

Mr. PICKERSGILL: I think that is a good suggestion.

The CHAIRMAN: Doctor Stewart, have you any observations to make on this section?

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): I think we are satisfied with the section as it stands and have no particular comment to make on it. We have gazetted for our April hearing a set of regulations covering procedures of the board in respect to public hearings, applications for licences and changes of facilities. Over a period of time we have developed a set of procedures and we now feel we are in a position to set them out in the form of regulations. They are in the *Canada Gazette*, and I think that within this framework of procedure we are satisfied with the provisions of section 12 subsection 1.

Mr. McGRATH: Would Dr. Stewart give us the mechanics as to how this section works.



Dr. STEWART: I think the central point which must be understood is that we are not a licensing body. Applications on matters referred to in section 12, go to the Minister of Transport and no decision can be made on such applications until there has been a recommendation from the board following a public hearing. Therefore, applications go to the Department of Transport and are processed by them in terms of technical acceptability. If they are found technically satisfactory, they are forwarded to the board, where they are put on the agenda for the first possible public hearing. Then, after the public hearing is held, the board makes its recommendations to the minister and, at that point, the matter is out of our hands.

Mr. McGRATH: Do you feel that the Canadian Broadcasting Corporation is obliged to appear before you when applying for a licence under section 12?

Dr. STEWART: This has been our interpretation of the act.

Mr. CHOWN: Does Dr. Stewart think that there is a necessity to tighten up the section? It seems to be considered that there is a moral obligation for the C.B.C. to do this, but is it expressed formally by the act?

Dr. STEWART: The advice I have is that it is not under the Broadcasting Act but it is under the Radio Act and, as licences are issued under the Radio Act, we feel there should be some way of doing this by amendment to the Radio Act.

Mr. CHOWN: That is what I had in mind.

Mr. McCLEAVE: I am interested in the actual operation of the hearings. For example, if some public body or group, not tied in with any of the competing or interested parties appearing before the board, also wish to express a point of view to the B.B.G., is it your practice to hear those people?

Dr. STEWART: It is our practice to hear them if they represent a significant group, if they are not merely individuals, and if their representations are relevant to the application in question.

Mr. McCLEAVE: Do you think that such people are covered by section 12 of the act, subsection (3), which only refers to "the corporation and other interested licensees and applicants for licences"?

Dr. STEWART: I do not think they are actually covered in the sense that the board is required to hear these people, but this has been our practice. Our view is that we feel this practice has worked out reasonably and I do not know if it would be better to spell it out in the act.

Mr. McCLEAVE: But there might be a modification of the act to allow any other party to appear at public hearings?

Dr. STEWART: I think it would be well to leave some discrimination in the hands of the board, and it might be well to defer to the judgment of the board on this matter.

Mr. McCLEAVE: I just want to make one more point. When such people appeared before you in the past, was there ever opposition to their appearance from the parties making application for licences?

Dr. STEWART: No.

Mr. PICKERSGILL: I want to ask Dr Stewart if he feels there is any reasonable possibility of a conflict between the jurisdiction of the board and the prior screening process, the so called technical processing by the Department of Transport?

Dr. STEWART: On the basis of experience, I would say I have seen no problem there. Our Technical Advisor sits on the Review Committee. We get the reports of the Review Committee which decides on the technical acceptability or not of an applicant. We are familiar with the technical terms in each case, and the grounds on which an application may or may not succeed.

Mr. PICKERSGILL: I am talking about what happens before an application is received by the board.

Dr. STEWART: Yes.

Mr. PICKERSGILL: And after the board has made its recommendation, there is no further processing in the department?

Dr. STEWART: I beg your pardon.

Mr. PICKERSGILL: After the board has made a recommendation it goes to the Minister of Transport for submission to the governor in council. Is there any processing at that stage in the Department of Transport?

Dr. STEWART: I do not know, sir. I am not quite sure what you mean.

Mr. PICKERSGILL: Are there any officials in the Department of Transport who review the recommendation of the B.B.G.?

Dr. STEWART: Not to my knowledge.

Mr. SMITH (*Simcoe North*): I suppose the difficulty in defining precisely what parties may appear before the board is that it could have the effect of lengthening the hearings of the board interminably?

Dr. STEWART: This would be one of the disadvantages. It is possible it could greatly extend our sittings. However, I think that by holding it to people who represent substantial groups, that is a sufficient limitation in itself. I would like to add that we have been quite interested and a little bit concerned on two occasions when we were advised that people in the areas concerned were not aware of the applications being made, and we have to consider means of remedying that problem.

Obviously the most direct way to do this would be to advertise in the areas involved in the licensing. However, this is a fairly expensive operation and we have been somewhat reluctant to get into it. But we would like to make sure that there is general knowledge in the area concerning the general application coming up before us.

Mr. SMITH (*Simcoe North*): You would always have the applicants doing the advertising.

Dr. STEWART: Thank you very much for that suggestion.

Mr. KEAYS: Upon receipt of an application, is any engineering study done by the board?

Dr. STEWART: Our technical advisor is available to assist us in the interpretation of technical information. He reviews all cases, and he sits in on a review committee with the Department of Transport. Therefore he has the benefit of their discussion as well. In every case we go over with him the technical aspects of the application.

Mr. KEAYS: Are you satisfied, yourself, when the application is made that there is no possibility that a fringe area will be left outside of the coverage, and that possibly would never be covered? Suppose you have an area with a small population of, let us say, 20,000 to 25,000, and then you have a further area of from 20,000 to 25,000 where there will never be a possibility that any coverage will ever be made.

Dr. STEWART: We have to deal with the application as it is sent forward to us. But when the applicant appears, if we are conscious of a problem of this kind we would question him as to his intention, and endeavour to find an answer to this problem. We think that an answer to it is some kind of satellite operation to serve this population. We have attempted to endeavour to get some understanding from the applicant that he will supply the service as soon as possible.

Mr. KEAYS: Has there ever been a case where an application was made which did not satisfy the board with respect to the coverage?



Dr. STEWART: There was the case of the Upsalquich application near Campbellton; it was a satellite from the Moncton station. In the hearing of this application there was some doubt expressed—not by the applicant, but by others—that the service in Campbellton might not be satisfactory.

The board then extracted from the applicant the assurance that if he were awarded a licence, he would give assurance that the service would be satisfactory, and if the coverage of the satellite was proved to be unsatisfactory, that he would use remedial measures.

Subsequent history showed that the service was not satisfactory in Campbellton, and eventually the board had another application for a second satellite to serve Campbellton and Dalhousie. We believe that this is the solution to the problem.

Mr. KEAYS: Is there any solution to the problem which would arise in an area which would never be served by television, owing to the possibility that the applicant was not interested in serving it? And they would certainly never get a private station to go in there because the population was too small. I refer to areas in which the people think they would be without it for ever.

Dr. STEWART: I do not know of any situation of that kind, although I could concede that it is possible.

Mr. KEAYS: Well, I know of a lot.

Mr. BALDWIN: With regard to the question of who shall be entitled to appear before you at the hearing of an application, you have indicated that you do not think that section 12 subsection 3 prohibits you from hearing people, other than the applicant, the corporation and other interested licensees and applicants for licences. Do you not think that section 11 subsection (1) paragraph (h) gives you ample authority in making your regulations to provide for those whom you should see fit to allow to appear before you, and also to send out notices of what briefs they shall file, and when they shall file them? Do you think you have enough authority under that section, without the necessity of having an amendment made to the act?

Dr. STEWART: I think the board has all the authority it needs to make these decisions. It may decide to hear other people. However, we have no objection, if it is the wish of parliament to make a statutory provision to cover it specifically, and that it be incorporated in the act.

Mr. McCLEAVE: On that very point: you said earlier that nobody had objected to these other groups appearing before you; but suppose somebody did object. Would you not then find yourself in a position under this section where you would have to refuse to hear them? I see that your Counsel shakes his head, so he believes I am wrong in making that point.

Dr. STEWART: I still think the board could do what it wanted to do.

Mr. SMITH (*Simcoe North*): Supplementary to Mr. Keays observations and relating to the lack of advertising, there is a problem when you have two competing applicants for a licence. Both of them may ignore some pocket of population. I think that is a problem. How would you overcome it?

Dr. STEWART: I realize this, and I think it is really quite an important point. The problem of course is that we do not know precisely what would be necessary in terms of revision of an application, in order to extend the coverage sufficiently to bring in these additional people. This might require a completely different application, and involve considerably greater expenditure of money. It is not necessarily the most economical way to do it.

Mr. SMITH (*Simcoe North*): Sometimes an isolated town may not even be aware that the application is being heard. That too, I think, is a problem. I am thinking of people away in a valley somewhere, and they may not know the significance. There is nobody to put their case before them or even to let



them know that they may even be affected by the current application. And of course, neither of the licensees wants to do it, because it might mean additional expense on their behalf to take care of things.

Dr. STEWART: It seems to me that this is basically a question of information. If the people in such an area knew that an application was going to be made, the thing for them to do would be to get in touch with the applicant and find out what the coverage was going to be. If it was unsatisfactory to them, they should try to persuade him to modify his application.

Mr. PICKERSGILL: This raises quite a fundamental question. Does the board consider that it has a positive function to foster coverage of every area of Canada, either publicly or privately? Or does the board consider that it is limited merely to dealing with applications, either private or public, as they come before the board?

Dr. STEWART: I was a little uncertain on this position when I appeared before this committee once before. But the board has now, I think, made its position quite clear on this matter, and we have taken definite steps to encourage the extension of service in certain areas.

I refer particularly to the area of west central Saskatchewan and east central Alberta, and to the fact that we held a meeting in Saskatoon with the licensees in the general area and discussed with them the possibility of getting service into this territory. We assigned the best possible frequencies for it, we encouraged applications, and we eventually did get an application.

This is merely one illustration which, I think, does establish the fact that the board is doing more than merely sitting back and waiting for applications. But bear in mind that we cannot compel a private applicant to spend money, if he is not prepared to do so.

Mr. PICKERSGILL: And neither can you with respect the C.B.C.

Dr. STEWART: That is right.

Mr. PICKERSGILL: But you do feel that the board has a mandate to encourage and foster coverage as much as possible?

Dr. STEWART: That is right.

Mr. KEAYS: Following up Mr. Pickersgill's question, surely the board is ready to refuse a licence to anyone who is not going to cover the full area, and where there is never a possibility of another station? Surely the board would refuse an application until the applicant comes up with an obligation which will cover the whole area and not leave out a small pocket of it.

Dr. STEWART: I do not think that the question is necessarily one of never covering it. The small satellite is probably, in most cases, the most economical way of picking up pockets of population. This could be quite an acceptable suggestion for an applicant, if he is prepared to bring it forward, but it would not bring forward, let us say, seven applications at this time.

Mr. KEAYS: Would it be unsatisfactory coverage? Surely the board would refuse an application in this case because somebody else might come up with an application which would cover the whole area.

Dr. STEWART: This is possible, but it does not necessarily follow. I think the board would turn down an application if it felt that it was highly likely that we could get any better application. But in most of these situations I do not think this is a reasonable expectation. The applicant will try to get as wide a coverage as he can, or as he considers it is economical to do. He does not want to miss any coverage if he feels it is economically possible to extend his coverage.

Mr. MACDONNELL: My question was secondary, but what effect would wire systems have in this matter?

Dr. STEWART: We do not, ourselves, take wire systems into consideration. But we do take into consideration the possibility of satellite service to pick up pockets of population.

Mr. PICKERSGILL: I would like to ask the chairman whether the board ever issues licences for an increase in power before they are completely satisfied with the technical features of application—in other words, whether or not the applicant is capable of increasing his power satisfactorily without interfering with anyone else?

Dr. STEWART: The application for an increase in power has already been screened by the Department of Transport before it comes forward to us. It is therefore our belief that, when we receive the application, it has met all the technical requirements under the international agreement, as well as the domestic rules. We assume that it is correct.

Mr. PICKERSGILL: In other words, if the board recommends that there should be an increase in power, the matter having been previously screened by the Department of Transport, there should be no technical reason for holding up the application any longer, or holding up the licence any longer?

Dr. STEWART: That is correct.

Mr. PICKERSGILL: You say there should be no technical reason?

Dr. STEWART: Yes. But this does not mean that there may not be some difficulties afterwards.

Mr. PICKERSGILL: Oh no, but there could be no technical reason for not issuing the licence?

Mr. REGNIER: At Winnipeg the public station coverage is limited on account of the tower which, I think, is limited to a height of about 300 feet. The French satellite station is using the same tower, and therefore it is also limited in its coverage, which is only to less than one half of the French speaking population of Manitoba.

I think that both the English speaking coverage and the French speaking coverage are limited by this restriction on the height of the tower of the public station. Do you not think that the tower should be removed from Winnipeg and placed in another location, in order to remove this limitation on a public station?

Mr. PICKERSGILL: Why not place the tower at Stony Mountain?

Dr. STEWART: It would be very difficult for me to give an answer to that without getting more information about it. There may be a limitation on the existing site depending on its relationship to airfields and things of that kind. Presumably they could move it to another site. They might even be able to have a higher antenna, and an increase in power. But this, of course, would be a very expensive operation.

Mr. REGNIER: I understand the new station, channel seven has almost a 1000 foot tower, and that the one at Pembina is still higher.

Dr. STEWART: Seventeen hundred feet I think it is.

The CHAIRMAN: Are there any other questions?

Mr. CARON: Would it be possible for the B.B.G. to recommend a second private station where an important section of the public have not been served by the first private station? I am thinking, for instance, of Ottawa, where we have a private station which was supposed to be bilingual, but up to now we have not heard any French from it.

Suppose station CKCH should ask for a second private station to serve more than its small fringe of French population, would it be possible for the B.B.G. to recommend a private station?



Dr. STEWART: We certainly would hear an application for another station, particularly for a French language station here. But whether or not the board would be prepared to recommend it I do not know.

Mr. CARON: Would there be any special objection to recommending a second private station in an area where the population was about 50-50 French-English speaking?

Dr. STEWART: I think the main consideration here really is the possibility of the stations surviving with a multiplication of stations in the area. But the board has said at the present time that it is not prepared to hear applications for a third station.

Let us assume that it is an English area and there are two stations at the moment. We are not prepared to hear a third application.

But as you know, in Montreal we did hear a recommendation both for an English as well as a French station. So I think in the matter of a French language broadcasting station we would be prepared to hear an application. But the decision of the board would depend, of course, upon what was brought forward at that time, and I am afraid I cannot anticipate it.

Mr. CARON: There is nothing in the regulations or in any of the board's decisions in the past to prevent a second private station in an area where there is a very heavy population of French speaking Canadians?

Dr. STEWART: That is correct. And I am reminded that there is a channel problem in Ottawa.

Mr. CARON: Yes, there is always a channel problem.

Mr. SIMPSON: Do you anticipate any necessity or desirability of reviewing some of these licences for satellites, that is, renegotiating with them possibly, to see if they are covering the area which could, in the future, be covered by a network, by taking in that area or areas, let us say further north?

Dr. STEWART: Might I refer generally to our position on satellites and then deal with the particular case of the possibility of a network. The board's expressed position with respect to satellites is that they are a temporary arrangement, which probably is the only economical means of providing service to a territory. But if the area should grow, then we would rather expect it to proceed in this way: that having been set up initially as a satellite with no local services, the next step would be to have a studio in the area from which a certain amount of programming could be fed into the satellite by the local studio. This might be the case where a community grows to the extent that it can support a local studio. So we look on satellites as temporary, with the possibility of their extension. I believe I know the case you have in mind here. The board has no policy with respect to this particular situation, as a general policy.

The CHAIRMAN: Are there any further questions on section 12? If not section 13.

Mr. PICKERSGILL: Unless Dr. Stewart has some observations he wishes to make himself, I would gladly defer my questions.

Dr. STEWART: We did suggest an amendment with respect to "temporary network" referred to in section 13 subsection 4 paragraph (b). In our views this section was primarily designed for the sort of situation in which, on a sort of one-shot basis, there is a desire to give a wider distribution to a particular program.

Now, sometimes these things happen quite quickly, and a station will get in touch to see about it. For example, if there is a program on Saturday evening, they would ask if they could not tie up with one or two other stations who would like to join us in it.



Because of the time element, the matter might not be able to be put to the full board or even to the executive. Therefore it would be too late to deal with many of these situations. So we suggested that a representative of the board might be able to deal with it. I would like to say that in practice so far we would always do it this way, with an application which might come under this section. I am thinking of a situation with which I believe you are all familiar.

There will be an application coming up in April with respect to a network to cover the Big Four games. We shall hear that application in public, and it will be a decision of the full board, because of the importance of that particular case.

But in a great many instances, of the kind I referred to earlier, it requires speedy action. That is why we have suggested the change.

Mr. PICKERSGILL: Now, if I might put my question; it has, of course, some bearing on the particular case that is going to be heard by the board, and I am, therefore, not asking the chairman to prejudge in any way the decision that the board will make in that particular case.

My question is rather directed towards the law itself. There would appear to be some ambiguity at least between the powers of the B.B.G. under section 13 and the powers of the C.B.C. under section 29 of the act.

We asked the C.B.C. the same question. Does the B.B.G. take the view that it has jurisdiction over the C.B.C. networks, or does it take the view which the C.B.C. takes—perhaps I should say which the C.B.C. seems to hold, because otherwise I would be interpreting Mr. Ouimet—that they have absolute control over their networks?

Dr. STEWART: The board's position can be properly stated in this way; that in speaking about the Broadcasting Act, part I, section 29, which includes subsection 2, the corporation is bound by the provisions of part I, and that in effect the board has ultimate statutory responsibility. But as a matter of practice, having the corporation with powers to operate, there are limits to the extent to which the B.B.G. should intrude into the operating side, and we have tried to observe this position.

We have stated that in our view, all matters may be referred to the board, and we have also said that we hope a great many of them will not be referred to the board.

Mr. PICKERSGILL: Your view is that the Board of Broadcast Governors, under the existing law, has adequate jurisdiction to deal with any question; for example, the question of a dispute between the C.B.C. and its affiliates?

Dr. STEWART: Yes. In fact, we have provided in the regulations that if there is a dispute over the terms of a new agreement, the interpretation of an agreement, or a change in an agreement which might occur during the life of an agreement, which cannot be resolved between the corporation and its affiliate, then this goes to the board.

Mr. PICKERSGILL: And the corporation has accepted that?

Dr. STEWART: Yes, it has accepted it in practice, anyway.

Mr. SMITH (*Simcoe North*): What about the legal rights of these agreements between the C.B.C. and its affiliate stations? Are they not documents which carry with them certain legal rights and, have you the right to arbitrate and, in a sense, adjudicate on the effect of these agreements?

Dr. STEWART: I would like our counsel to comment on this aspect of it. However, as a layman I take the position that an agreement cannot prescribe any conditions which are inconsistent with the Broadcasting Act.

The CHAIRMAN: Would you speak on this, Mr. Pearson?

Mr. PEARSON: Mr. Chairman, section 10 of the act provides that the board shall make regulations for the establishment and maintenance of public and private broadcasting stations in Canada, and the relationship between them, and provide for the final determination of all matters and questions relating thereto. Then, 14(6) of our television regulations provides that the terms of every affiliation agreement shall be consistent with the purposes of the act and these regulations, and in particular it shall be a term of every affiliation agreement that changes in these shall be subject to arbitration by the board.

Mr. SMITH (*Simcoe North*): In effect, the arbitrator is appointed under the terms of the agreement?

Mr. PEARSON: Yes.

Mr. PICKERSGILL: This is an implicit term of the agreement?

Mr. PEARSON: Yes, under the statutory authority we must provide a method of final determination.

The CHAIRMAN: Are you satisfied, Mr. Smith?

Mr. SMITH (*Simcoe North*): Well, I was more interested in that.

The CHAIRMAN: Are there any further questions under section 13?

Mr. McCLEAVE: I take it, Mr. Chairman, that Mr. Pickersgill's question had relation to subsection (4)(a) and not subsection (4)(b), temporary networks.

Mr. PICKERSGILL: Yes, but not the temporary networks, the permanent ones.

Mr. FISHER: If this question has already been asked I will withdraw it. I apologize for not being here earlier.

Dr. Stewart, we have seen, to a tremendous extent, a consolidation in ownership in one of the means of communication—and I am referring particularly to the press. What views, if any, does the board take from the act or any other acts that they operate in connection with any role they may play in making sure that ownership of the networks is not likely to come under the influence of one of these major groups which already control large interests in either the newspaper or magazine publishing fields?

Dr. STEWART: Mr. Chairman, I think I am correct in saying that the act, in fact, gives the board no guidance at all in this matter of multiple ownership and, therefore, it is a matter of policy of the board. In general, I think we can say that the board feels that beyond a certain point at least a concentration of ownership would be considered an undesirable situation. On the other hand, the board is faced with a great variety of situations with which we have to deal and experiences the great difficulty of spelling out, in terms of a simple formula, what this, in fact, might mean. In other words, we have to deal with it on an *ad hoc* basis in the face of the situation with which we are confronted within the general framework, of thinking that there is some limitation which, at some point, should be placed upon multiple ownership.

Mr. MACDONNELL: Mr. Chairman, I have a supplementary question: Is it contemplated that this group will have to put before it information as to ownership—and I mean real ownership, so that this committee could exercise a judgment as to whether there is a point here that should be covered.

Mr. FISHER: I was thinking along that line, Mr. Chairman. Although I may be a worry wart, I am thinking of two possibilities. One possibility is the question of American ownership, as I see it, in situations such as Canadian Marconi and CKLW. Despite the flattering things that were said about CKLW programming, I do not like it when news and public affairs programs rest in California or New York City.

In connection with the press matter, we have seen how one imaginative Canadian businessman has operated in another part of the Commonwealth. We



have seen consolidation of newspapers here. I am not suggesting that individual publishers, such as Sifton and Southam do have control, but the pattern is a deleterious one. Also, you have opened CKEY, in ownership terms, although not in control terms, to American capital. I would like to know where you stand on this.

Dr. STEWART: On the question of non-Canadian participation, the act does give the board directives and the board has been operating within the limitations placed on it by the act. If there is any wish to tighten up on the limitations, it would be up to parliament.

Mr. FISHER: But it is fairly apparent from the football situation and what CFTO is trying to do, that this whole network operation of the private network is a shaky operation. It seems to be apparent that Mr. Caldwell, who has been given the green light, does not have the capital backing in his particular group in order really to set this up on a growing basis. I suspect that the control of that network in a few years will come to a group or some consolidation of finance which will move in and control it. I think the control of the private network is going to come up in a couple of years.

Dr. STEWART: The regulations of the board apply equally to stations, licensees, and to networks in most respects. Specifically, while the Radio Act requires that in the case of licensees any changes in shares and ownership must be referred to the board for a recommendation, in view of the fact that networks are not licensees, the Department of Transport is not involved in the setting up of networks, and it is purely a matter for the board under the Broadcasting Act. We have incorporated in our own regulations with respect to networks the same provisions as apply to licences under the Radio Act. Specifically, as amended, the radio-TV broadcasting regulations now include this:

"Permission to operate is subject to the following conditions:

- (a) Where the person to whom permission is granted is incorporated as a private company, the ownership or control of any share of the capital stock of that company shall not be transferred either directly or indirectly without the approval of the board having been first obtained; and
- (b) Where the person to whom the permission is granted is an incorporated company, other than a company incorporated as a private company, the control of that company shall not be transferred in any manner whatsoever to any person without the permission of the board having been first obtained.

Mr. FISHER: You have stated that, in effect, your principle is, and it is an *ad hoc* and empirical one.

Dr. STEWART: Within the general framework, that, beyond a certain point, is an undesirable factor.

Mr. FISHER: Do you feel that you would be able to approach this problem better, in so far as networks are concerned, if you did have a statement of principles and policies either from the executive or from parliament?

Dr. STEWART: If it were a statement of principle, I think this might be helpful to the board. I would not be prepared to advise that parliament try to work out a tight formula for this, because I do not think, from the administration point of view and in looking at it in terms of administration, that it is possible to devise a simple formula which would deal adequately with the multiplicity, complexity and diversity of situations with which we have to deal.

Mr. FISHER: But if we had a principle under which we were going to try to keep away from a massive conglomeration of capital stepping in and controlling private broadcasting in this country on a network basis, could you operate with something like that?



Dr. STEWART: I think we have been.

Mr. PICKERSGILL: Surely Mr. Fisher is not serious when he states there might be some directive coming from the executive. I hope Dr. Stewart will indicate clearly to the committee that if the executive attempted to issue any directives to the B.B.G., they would be sent back by return post.

Dr. STEWART: Yes.

Mr. SMITH (*Simcoe North*): He did not say exactly that.

Mr. FISHER: Well, if we are going to have Mr. Pickersgill commenting on the approach I am taking, I might say that it is a small "I" liberal approach in that I do not like to see any consolidation of this kind. And, despite the small "I" liberal approach, as in the case of the Combines Investigation Act, it would seem to me that this sort of situation is going to take place here. There was a case of a local television station, which appeared to be ready to change ownership, and I know there were three extremely large bids for that, two of which would fit into a private network pattern.

Mr. PICKERSGILL: Mr. Fisher did say, unless I misunderstood him, a directive from parliament or the executive. I would agree completely with him that it would be a proper thing for parliament to give a directive to the B.B.G., but nothing would more defeat the whole purpose of the act than to have the executive giving any kind of directives. I would like to be assured that the B.B.G. would repudiate any attempt on the part of the executive—by which I presume the government is meant—to direct them in any phase whatsoever.

Dr. STEWART: That is correct.

Mr. MACDONNELL: May I have your ruling in connection with my question?

The CHAIRMAN: Do you mean as to the production of the ownership?

Mr. MACDONNELL: As to whether that is a relevant matter which should come before this committee?

The CHAIRMAN: Are you asking that the B.B.G. produce the names of owners, and so on, of all stations?

Mr. MACDONNELL: I am asking you to consider that. I definitely am asking you. This may be a question, the implications of which I do not realize. It might do no harm for the subcommittee to consider it.

Mr. McCLEAVE: But is not this public information?

Dr. STEWART: It has always been made public information by the board, at least in those applications we have dealt with. Subsequently we report on all changes in our annual report so that we hope there will be a continuous record. But, to go back into all the companies at the present time, and to try to provide this information for all companies, would be a very substantial undertaking.

Mr. MACDONNELL: That is the reason I am not pressing it. I do not believe any of us are going to go back through all the applications to satisfy ourselves on that question, but maybe the committee thinks it should be done. I am just raising the question and saying that the subcommittee should consider it.

The CHAIRMAN: Perhaps we can leave the matter for the subcommittee to discuss. Mr. Fisher, you wished to say something?

Mr. FISHER: I think I must explain the remark on the executive. Not too long ago we had a statement of policy from the minister in the house. Perhaps, I should start over again. I am paraphrasing the minister's statement but, as I remember, he said it would be ideal if we excluded newspaper ownership in television and radio stations. It seems to me that could be incorporated into a set of principles to be presented to parliament, which is the logical place for giving them general approval. That is what I meant by executive direction. I am not suggesting you should have a phone call from the Prime Minister or anyone else, to say this is out, or that is out.

Mr. PICKERSGILL: I do not disagree with Mr. Fisher. As he knows, I have supported that for a long time, but I think it should be done by parliament and no one else. I do not think we can hope to have an independent broadcasting system if we have the executive meddling with it in any way. Members of parliament, and the executive are members of parliament, have the right to bring their ideas before parliament and let parliament accept or reject them. I do not think there is any fundamental quarrel between Mr. Fisher and myself, but I do want to direct attention to the fact that there should be no meddling by the cabinet, or by an individual in the cabinet.

Mr. SMITH (*Simcoe North*): Does not this hold true of all crown corporations?

An hon. MEMBER: A lot of crown corporations are run by the government.

Mr. PICKERSGILL: But in broadcasting there should be independence from the government.

Mr. McGRATH: That will be very refreshing.

Mr. PICKERSGILL: There will be a change after the next election.

Mr. McCLEAVE: It was changed after the last election.

The CHAIRMAN: Are there any other questions on the act?

Mr. FISHER: Dr. Stewart, have you any definite attitude towards capital, in ownership terms of networks, and the possibility of the influx of British and American capital?

Dr. STEWART: In the statement which the board issued in order to give potential applicants some guidance as to the board's thinking and policy, we indicated quite clearly we would prefer complete Canadian ownership of networks in Canada.

The CHAIRMAN: Are there any other questions on section 13? If not, we shall go on to section 14—non-Canadian interests.

Mr. PICKERSGILL: I should like to ask if the governor in council has, in fact, made any exemptions under subsection 2 of section 14 and if so, what were they?

Dr. STEWART: Yes. I believe, Mr. Chairman, that the following licensees have been covered by order in council under this section of the act: the Marconi company operating a station in Montreal, R.K.O. operating a station in Windsor, and Famous Players operating stations in Kitchener and in Quebec City. These stations were in operation at the time of the coming into effect of the Broadcasting Act, and I believe subsequently there have been orders in council passed with respect to Marconi and R.K.O.

Mr. McGRATH: May I ask a supplementary question? I do not know if it is appropriate under this section or not, but Dr. Stewart mentioned the ownership of the Windsor station, and I believe the board has had that under advisement. What has been done with regard to the very high American content of the station which is beamed into Detroit?

Dr. STEWART: We have been working closely with the Windsor station in connection with their problem of meeting the requirement of 45 per cent Canadian content as of April 1. We appreciate that they have a peculiar problem because of their difficulty in acquiring full network service from the C.B.C. However, at the hearing of the board in connection with the renewal of their licence, this situation was considered and, in advance of the meeting, they presented a revised schedule of programming to us which is to come into effect by April 1 and which will satisfy, in one way or another, the 45 per cent Canadian content regulation. We appreciate the cooperation of the station in their efforts to make this possible.



Mr. McGRATH: Has the board considered the question of American ownership of the station? Is the board satisfied on this aspect of the situation?

Dr. STEWART: Really, there is not much we can do about this. As a matter of fact, I think we approved an increase in stock holdings by R.K.O., but only in the sense that they already had a considerable majority of the stock in any event. In order to relieve another stockholder, we allowed an increase in the stock held by R.K.O.

Mr. McGRATH: I believe the Americans will only permit outside ownership of television stations to the amount of one third.

Dr. STEWART: I believe it is less than that—actually 20 per cent.

Mr. McGRATH: How does the Windsor station compare with that?

Dr. STEWART: The Windsor station does not satisfy the requirements of section 14 of the act, but there is specific provision in sub-section 2 by which licences which were in operation prior to the coming into effect of the act may continue by exemption. That is the position. They have, in fact, got an exemption.

Mr. PICKERSGILL: And the exemption is given by the government?

Dr. STEWART: Yes.

Mr. PICKERSGILL: May I raise a question with respect to the answer Dr. Stewart gave me a moment ago? I think his answer applied only to television stations.

Dr. STEWART: Yes, television.

Mr. PICKERSGILL: And not to radio stations? I want to get a complete picture.

Dr. STEWART: As far as I know, some of these companies own both radio and television stations. Marconi does in Montreal and R.K.O. in Windsor.

Mr. PICKERSGILL: They own television in Windsor as well?

Dr. STEWART: Yes. As far as I know these are the only companies concerned, they own both television and radio stations.

Mr. PICKERSGILL: The chairman mentioned Famous Players in Kitchener and Quebec. Are they covered by section 2?

Dr. STEWART: Yes.

Mr. SMITH (*Simcoe North*): When was the Windsor television station first licensed?

Dr. STEWART: It would be around 1954, 1955 or 1956. I am not quite sure which year.

Mr. SMITH (*Simcoe North*): And I also want to ask about Quebec and the Kitchener licences?

Mr. McGRATH: This is Famous Players?

Dr. STEWART: I am afraid all I can say is that it was between 1952 and 1958. It was prior to the passage of the act.

Mr. SMITH (*Simcoe North*): Could you get the dates of those later?

Dr. STEWART: I shall do so.

Mr. McGRATH: Have you records of the procedures involved? Was it indicated that Windsor was designated as an area for a C.B.C. outlet?

Dr. STEWART: For a C.B.C. station or an affiliate?

Mr. McGRATH: For a C.B.C. station.

Dr. STEWART: I could not tell you that.

Mr. McGRATH: If it was not designated, why was it not?

Dr. STEWART: I have no answer to that.



The CHAIRMAN: Are there any other questions on this section of the act.

Mr. FISHER: Yes, I have a question—

The CHAIRMAN: Order, please.

Mr. FISHER: It would appear that the Marconi and R.K.O. stations are leaks in the cultural dyke. I was under the mistaken impression, when the act was going through the House, that this was an interim situation which would be corrected and that these American owned operations would be shifted to Canadian ownership. Do you think that is a feasible proposition?

Dr. STEWART: We have certainly not interpreted the act as requiring that.

Mr. FISHER: I know you have not, but is it feasible?

Dr. STEWART: Yes, anything is feasible.

Mr. FISHER: But when you have stations geared to a certain extent for an American audience, how can we square the purposes of the act with the actual existing situation?

Dr. STEWART: I shall express a personal opinion with respect to Windsor. I think it would have been happier had the corporation been operating in Windsor.

Mr. FISHER: You mean if the C.B.C. ran the station?

Dr. STEWART: That is right.

Mr. FISHER: And you are suggesting that it is no longer economically possible because of the size of the market area?

Dr. STEWART: That is a decision which the corporation would have to make.

Mr. FISHER: Then you are not particularly goading or prodding the corporation to do that?

Dr. STEWART: No.

Mr. FISHER: But it is an open question in your mind?

Dr. STEWART: It is in my mind, yes. I think it would be very helpful to have the real Canadian image projected into Detroit.

Mr. SMITH (*Simcoe North*): Not the way the C.B.C. have been projecting it lately.

Mr. MCGRATH: A rather shoddy image.

The CHAIRMAN: Let us have order.

Mr. FISHER: I am sorry we have these overtones from the convention.

Mr. PICKERSGILL: Undertones.

Mr. FISHER: What about the situation where most of the telemeter developments of a significant kind are again related to American capital and American programming? Some of these groups have very large interests in several Canadian television stations also. Can you foresee a conflict of interests there?

Dr. STEWART: It would possibly depend upon the acceptance of the telemeter type of operation, which is by no means clear at the moment.

Mr. FISHER: You say it is by no means clear, despite what has been shown by the success of the Etobicoke experiment?

Dr. STEWART: In the report of the committee on wired systems we make a statement to the effect that at the present time it is impossible to tell what will be the future of this type of operation.

Mr. FISHER: But can you see a potential conflict of interests?

Dr. STEWART: I would say yes, if telemeter goes over; if it extends and becomes national in its coverage there could be a conflict.

Mr. SMITH (*Simcoe North*): I have a supplementary question to Mr. Fisher's earlier one about the ownership of the Kitchener and Windsor stations. Is it possible, within the powers you have now, to require them to project programs in furtherance of the purposes of the Broadcasting Act?

Dr. STEWART: They are in no different position to any other licensee with regard to meeting their obligations under the regulations and fulfilling the purposes of the act.

Mr. McGRATH: In your answer to Mr. Fisher, Dr. Stewart, did you say you thought it would be advisable for the corporation to apply for an outlet in Windsor?

Dr. STEWART: I did not say that. I said that I thought it would have been a happier situation at the time had the Corporation been operating in Windsor.

Mr. McGRATH: Is there no provision under the act whereby the board of directors of the C.B.C. can apply for an outlet there?

Dr. STEWART: No.

The CHAIRMAN: Are there any further questions on this section?

Mr. McCLEAVE: In a situation like this in Windsor I suppose the initiative would come from the C.B.C., but would the board indicate it would not be prepared to license the station if another applicant could be found?

Dr. STEWART: The opinion I expressed earlier was a personal one. I would not be prepared to answer that question without having put it to the board.

Mr. McCLEAVE: Could the board say they are not willing to relicense the present applicant in this particular area if other applicants can be found? Are your powers such that you can give that opinion?

Dr. STEWART: I do not think we should take that position. So long as the applicant is meeting our regulations and, in our view, is satisfying the purposes of the act this is really all we are concerned with.

Mr. McGRATH: Have you ever declared you are ready to accept applicants for Windsor, and if not why not? I am speaking of a second station.

Dr. STEWART: We are ready to accept applications for second stations anywhere.

Mr. McGRATH: But in fact you have not had an applicant for a second station in Windsor?

Dr. STEWART: No.

Mr. FISHER: In your work so far have you noticed there is any shortage of Canadian capital in order to operate Canadian television stations?

Dr. STEWART: No, I do not think so.

Mr. PICKERSGILL: I have a series of questions on a particular point. First of all, do I understand from the B.B.G. that the Marconi Company, which is not Canadian-owned, has a television licence in Montreal.

Dr. STEWART: Yes.

Mr. PICKERSGILL: When did it get that licence?

Dr. STEWART: In 1960, when the board recommended it.

Mr. PICKERSGILL: Before recommending that licence did the board get a legal opinion that this would be in conformity with the terms of subsection 2 of section 14?

Dr. STEWART: Yes, from our own counsel; and in the application there was a copy of the order in council.

Mr. PICKERSGILL: And the board was satisfied that the governor in council had the power to issue such an order in council. The reason I am asking this will be apparent when one reads the section:

The governor in council may exempt from the operation of this section, upon such terms and conditions as the governor in council may prescribe, any person who, at the time of the coming into force of this act, was the holder of a licence...

At the time of the coming into force of this act the Marconi Company was not a holder of a television licence. The mere fact that the company might have held a radio licence surely would not be in conformity with the intent of parliament in putting that in. We were given to understand this clause was to deal with an existing situation and not to create new conditions of foreign ownership.

Dr. STEWART: The words in the section are "was the holder of a licence", and Marconi was the holder of a licence.

Mr. PICKERSGILL: But not for television.

Dr. STEWART: A radio licence.

Mr. McGRATH: In the same area.

Dr. STEWART: Yes.

Mr. McGRATH: Perhaps Dr. Stewart would elaborate on his answer to Mr. Pickersgill with regard to the Montreal licence, because there is a very dangerous precedent in foreign ownership of Canadian radio and television.

Mr. FISHER: I agree.

Dr. STEWART: The board's position certainly was that Marconi was not excluded from holding a further licence under the act. On the application the board received, it was the opinion of the board that on the record of this company, its promises of performance and general application, it was the best applicant.

Mr. SMITH (*Simcoe North*): Subsection (e) of the interpretation section reads as follows:

"Licence" means a licence issued under the Radio Act to establish a broadcasting station.

Mr. PICKERSGILL: Quite.

The CHAIRMAN: I think probably your point may be well taken. It comes back to the old problem that we still have not cleared up the definition of broadcasting.

Mr. PICKERSGILL: Is the licence for the broadcasting of a television station the same licence as for the radio station, or is it a separate licence?

Dr. STEWART: They are separate licences, in the sense there is a separate licence document in each case. They both are defined as commercial broadcasting stations, one for audio only, the other for audio and video.

Mr. PICKERSGILL: I am going to suggest that at the next meeting we ask the deputy minister of justice to present to the committee a legal view as to the power of the governor in council to issue an order in council under this section for a new licence, a different kind of licence from the one that was envisaged. It seems to me if the governor in council made the order in council, perhaps the board would have no duty to go behind that. Since we are studying the act, however, I think we ought to have the advice of the deputy minister of justice as to whether in fact the governor in council was given this power by parliament, because in reading the language it is my opinion it did not.

Mr. SMITH (*Simcoe North*): As a lawyer I do not agree.



Mr. PICKERSGILL: Parliament made this law, and whether I am a lawyer or not I am entitled to an opinion about the legislation because I participated in it, as did anyone else. We have a professional adviser in the person of the deputy minister of justice and I think we should have his advice.

Mr. FISHER: I would like to support that request. This particular section has bothered me, firstly in respect of the Windsor situation and latterly in respect of the Montreal situation. From what I know of the Montreal situation I am convinced that the American influence is permeating into the programming part of it. It seems to me that the awards of licences in these two places in particular, and the other conflict of interest which is possible through tele-meter, opens up something which I think denies the purpose of the act. I think we should get it cleared up once and for all, and I believe that would be the general feeling of members of the committee.

The CHAIRMAN: I think we had better leave it for a meeting of the sub-committee.

Mr. REGNIER: I do not think a lawyer could define the meaning of the word "licence". The words are there but could a lawyer say what "licence" means? It does not say "radio licence" or "television licence"; it just says "licence". You could get ten lawyers to define it and they might have ten different opinions on it. Only a court could decide it, not a lawyer.

Mr. PICKERSGILL: That, of course, is no reason why we should not have the intention, the opinion which was generally respected by parliament, and which is the opinion officially given by the principal legal adviser to the government, namely the deputy minister of justice.

The CHAIRMAN: Would it not be as well to get a written opinion from the official and have it tabled?

Mr. PICKERSGILL: I do not think so. There are sufficient reasons why I should like to have the opportunity to question the deputy minister of justice on this point.

Mr. SMITH (*Simcoe North*): I was not opposing Mr. Pickersgill's request, I was just questioning his obtuseness on the matter.

Mr. PICKERSGILL: My "opinion". The section, quite plainly, refers to the holder of a licence. It does not refer to a licence as such. It refers to a licence holder at the time of the coming into force of the act.

The CHAIRMAN: I think we had better leave the question to the subcommittee meeting, and we shall decide whether it should be brought before the whole committee.

Mr. PICKERSGILL: Meantime, I suggest that we leave the section stand.

Mr. DANFORTH: I should like to ask, is it not a fact that there is a second radio station established in Windsor, C.B.E. Have they, at any time, made application for a licence to operate a television station?

Dr. STEWART: They have not made an application for television.

The CHAIRMAN: Are there any further questions on section 14? If not, we shall go on to section 15—suspension of licences.

Mr. FISHER: We have already had some discussion on this section, and on the prohibitions and penalties provided for in section 16. A number of viewpoints have been expressed, and it seems to me that the suspension of a licence is so severe that it is likely to be used only very rarely. Since the B.B.G. is the body which lays down the prohibitions and penalties, and which carries them out, I wonder do they feel that the suspension of a licence is too severe a penalty, that it is unlikely to be applied, and that other prohibitions or penalties of a little bit stronger nature than a rap on the wrist might be more useful?

Dr. STEWART: We do feel that the suspension of a licence is a very severe penalty, not only on the licensee but, if he is giving service, on the audience as well, because the audience is deprived of that service when the station is not operating. Further, we have had representations from the organizations representing the employees as to their position if a suspension is enforced. They have asked, are they going to be laid off during a period of suspension. Therefore, from the point of view of the licensee, the audience and the employees, it is a far reaching act to suspend a station for a period of time.

Mr. McGRATH: Alternatively, would it not be advisable for the board to levy a fine?

Dr. STEWART: I made a suggestion earlier with respect to fines. I should like to point out, however, that my suggestion was made specifically with respect to excess advertising. I suppose, in essence, what I was proposing was that if a station takes in an additional \$500 by way of excess advertising, then it is not entitled to retain that money and it should be returned somewhere or, at least, withdrawn from the station. That is, if you like, something in the nature of a fine for excess advertising; but I must say that I do not want to press the question of fines with regard to other kinds of infractions.

Mr. McGRATH: What is the alternative for other types of infractions? Surely the broadcasters are well aware of their position with regard to providing a service for the public and of their position in regard to their employees? I suggest that they are fully aware of the fact that the board would be very hesitant about taking away their licences.

Dr. STEWART: My own feeling is that section 18, which provides for summary conviction, while it does not mean much in terms of financial penalties to the station, could have a salutary effect. I do not think anyone likes to be put through this process.

Mr. FISHER: Are you not in a position now where your main method of control is not really the threat of suspension of the licence, and not really the prohibitions and penalties, but your practice of giving short-term licences rather than long-term licences, thus requiring stations to come back frequently before your board and show cause?

Dr. STEWART: Yes. Of course we have the power not to recommend renewal of a licence or, in effect, the issue of a further licence. In effect, this is the most drastic action.

Mr. FISHER: Then this is an effective means of ensuring that the purposes of the act are carried out?

Dr. STEWART: I can certainly think of one or two cases where the appearance of a licensee before the board seeking the renewal of his licence, and the subsequent issuing of a short term licence renewal, has had an effect upon the programming and performance of the applicant.

Mr. FISHER: Is it the most effective and fair means of achieving the purposes of the act?

Dr. STEWART: I dislike the continuing threat, unless you are going to do something about it, and in the end failure to renew is depriving the person of his ability to continue to operate. As I say, if the threat is not effective then you are going to have to apply suspension. I am unhappy about using this as a sort of threat unless you are prepared to go forward and apply the penalty in a particular case.

Mr. FISHER: When one looks at the American example, there seems to be a principle of self regulation and self discipline within the industry itself, through their own association rather than through the federal bureau. Would you agree that works effectively in the United States?

Dr. STEWART: No.



Mr. FISHER: Could you see the possibility of that working effectively in Canada?

Dr. STEWART: I think self-regulation is helpful, but at certain points I do not think we can rely wholly and in every case on self-regulation.

Mr. FISHER: Then, have you any recommendation at all on this particular section, section 15, and those that tie in with it, in order to make it more effective and take it out of the position that you suggest is rather distasteful to you.

Dr. STEWART: The only suggestion I have been instructed to make by the board is that some system of fines, specifically with respect to excess advertising, might be incorporated.

Mr. McGRATH: That is the only suggestion?

Dr. STEWART: Yes.

Mrs. CASSELMAN: Does the system of re-licensing open up the field to other people who might come in? Would not the possibility of other people coming in make the present licensees aware of possible competition and thus tend to keep them within limits?

Dr. STEWART: That is a very interesting point, Mr. Chairman. We have been advised that section 14, where it says that the board shall not recommend the issue of a licence, applies to what has been referred to as the renewal of licences. In other words, there is no such thing as the renewal of a licence. There is the issue of a licence and when the licence terminates, in effect, a renewal is not granted. Technically, therefore, under these conditions the board could have another application to operate a station in a particular area on the frequency at present being used; but this has never happened.

Mrs. CASSELMAN: Is it likely to happen?

Dr. STEWART: What the board would have to do would be to hear the applications. How it would act in a particular case would depend on the presentation of the new applicant, the position of the previous licensee, and all the circumstances of the individual case.

Mrs. CASSELMAN: Then, in regard to your problem of penalties, this is a very good control? If a station knew there was a possibility of this happening it would be quite a strong lever?

Dr. STEWART: I would think if a station had any feeling somebody else would come forward with an application, that would be quite a substantial factor.

Mr. SMITH (*Simcoe North*): But the original licensee would never know what was going to happen until it did happen.

Mr. FISHER: It seems to me that, since you say this is in effect a new licence, it makes it much more important that we look at section 14 again. It specifies "the holder of a licence," and I believe you said originally a licence was a continuing thing, a broadcasting licence for radio prior to entry into the television field. It now appears that you are suggesting by your interpretation that a completely new licence is given.

Dr. STEWART: I may have missed the point, Mr. Fisher, but the board, under section 14, subsection (2), is not dealing with a licence. The subsection refers to the holder of a licence.

Mr. FISHER: And in section 15 you are dealing, in effect, with a new licence. I am not being obtuse but I cannot get the legal significance of this.

Dr. STEWART: What are you referring to now in section 15?

The CHAIRMAN: Section 15 deals with the suspension of licences.



Dr. STEWART: But we are dealing with the sort of disciplinary action which the board can take to see that its regulations are implemented. The point that has been made is that at the date of termination of the licence—

Mr. FISHER: March 31.

Dr. STEWART: —here has to be, in fact, a new licence granted. This is technically and legally the situation. There are two different things involved. Under section 15 a licence can be suspended at any time.

Mr. FISHER: And that does not kill the licence but, on the renewal business, you can kill something?

Dr. STEWART: The licence dies at that time and you have to bring it to life again.

Mr. FISHER: Does the holders' right not die?

Dr. STEWART: It dies also.

Mr. FISHER: But it still lives under section 14 subsection 2, in the interpretation of licensee there.

Mr. HORNER (*Acadia*): Under section 14 subsection 2 the holder has not died yet.

The CHAIRMAN: Perhaps it might be as well to clear up our minds about this business and come back to it later. Are there any further questions on section 15? Do we hold it over?

Mr. BALDWIN: I should like to ask Dr. Stewart, has he any comment to make on the suggestion or recommendation of the C.A.B. that appeals should be on question of fact as well as on law?

Dr. STEWART: I must say that we are not in favour of that proposal. I think the board has been set up in order to make itself familiar with all the aspects of the industry and all its operations. The board must always live within the law and, if it does not, it should be told that it has not. It seems to me that to refer a decision of the board to a court on a question of fact would not add appreciably to the effectiveness of the operation of this system.

Mr. BALDWIN: Then your position is that there should be an appeal only on a question of jurisdiction?

Dr. STEWART: That is our position.

Mr. CHOWN: May I raise a point of order? I have been reading through this memorandum on the Peterborough case and I think we should have it on the record for consideration by the subcommittee or steering committee and, also for the benefit of my friend, soon to be learned, Mr. Pickersgill. It includes a letter from the Deputy Attorney General of Canada, dated October 11, 1960 in which he states:

Dear Mr. Stewart:

I have to refer to your letter of October 7 in which you ask me to give a ruling on the interpretation of section 17 of the Broadcasting Act, in relation to a proposal made to you by a political party. I am of the view that it would not be proper for me to give legal advice to the Board of Broadcast Governors. You may recall that, at your organization meeting, I pointed out that the Board of Broadcast Governors was, in my judgment, not an organization to which the Minister of Justice, or the Deputy Minister of Justice, would be bound to give legal advice under the provisions of the Department of Justice Act, and that, in any event, the giving of such advice might involve the Department of Justice in a conflict of duty, having regard to the fact that the Canadian Broadcasting Corporation is, by statute, declared to be an agent of the crown.

Yours truly,

Deputy Attorney General of Canada.

I only raise the point because it is something which will have to be taken into consideration. I mention this arising out of Mr. Pickersgill's question seeking an interpretation from the Deputy Minister of Justice.

Mr. PICKERSGILL: But that is different. What I was suggesting is that we should ask the Deputy Minister of Justice about subsection 2 of section 14. If Mr. Chown will look at that he will see that it has nothing to do with the B.B.G. It has to do with the powers of the governor in council, and it was because I thought these powers had been exceeded I asked for the appearance of the Deputy Minister of Justice.

The CHAIRMAN: We shall settle that question in subcommittee. If there are no further questions on section 15 we shall hold it over until we have heard the evidence. Are there any questions on section 16—prohibitions and penalties?

Mr. FISHER: We heard Mr. Ouimet suggest that the whole question of what should be done on football broadcasts by the various networks would be something for the B.B.G. to decide. Is that correct? Did you note that particular statement of his, Dr. Stewart?

Dr. STEWART: I think, subject to the conditions prescribed in section 13 (4) (b), this is finally a matter for disposal by the board. Section 13 subsection 4 (b) says: "no such permission shall be granted without the consent of the operator of such other network".

Mr. SMITH (*Simcoe North*): Where, in the record, did Mr. Ouimet make that statement?

Mr. HORNER (*Acadia*): He made it, all right.

Mr. FISHER: I could not tell you exactly.

Mr. SMITH (*Simcoe North*): I think that is a fairly loose paraphrase.

Mr. FISHER: I am not suggesting it is verbatim, but he did suggest that the whole matter would have to be settled.

Mr. SMITH (*Simcoe North*): That was in reference to the networks?

Mr. FISHER: Yes, but this section deals with the licensing of them.

Dr. STEWART: If the application were for a permanent network, I think this is perfectly clear but, on the question of a temporary network, I think it is equally clear that the board could not, under section 13 subsection 4 (b), require an affiliate of the corporation to join a temporary network without the permission of the corporation. That is clearly in the act.

Mr. FISHER: So, in other words, the pressure upon a station that has been a C.B.C. affiliate, and wanting to get in on Big Four football broadcasting, rests largely with the view the C.B.C. has of the affiliated organization?

Dr. STEWART: Yes.

The CHAIRMAN: Are there any further questions?

Mrs. CASSELMAN: Dr. Stewart don't you think that the board can expect a large number of requests for authority to form temporary networks in the future?

Dr. STEWART: I think we have to come to realize that in the course of recent weeks.

Mrs. CASSELMAN: Something may have to be done.

Dr. STEWART: The board will have to make clear its legal position and its policy on some of these matters. As I have indicated already, we have received an application for a temporary network in connection with Big Four football and the coverage of the Montreal-Ottawa-Toronto games, and that will be heard in public at our April 11 hearing.



It seems to me inevitable in dealing with this that certain larger issues of a more permanent character will be involved and that following that hearing the board will have to make some kind of a statement.

Mrs. CASSELMAN: You said previously that some of the decisions may have to be made rather quickly because the request to the commission would be a matter of timing. This will lead to great problems and criticisms after it, will it not?

Dr. STEWART: In some cases I do not think there is any problem. As a matter of fact we have had and approved an application to tie up the second stations in Montreal, Ottawa and Toronto for a one-shot program. This is quite simple but does need immediate action.

Mrs. CASSELMAN: It seems cumbersome that you should have to keep repeating on all occasions that you want to do that, because you want to do it quite frequently.

Dr. STEWART: As long as they are not stations which are part of the corporation's network, if they merely wish to link up themselves, I do not think there is much of a problem here, unless it extends over a considerable period of time, in which case you do have a problem because of the limitation in this section. In a one-shot program, if Montreal, Ottawa, and Toronto want to tie up for a program, I do not think there is any problem here unless it became apparent to the board that in some way this temporary provision was being used as a means and fact of having a continuous regional network. If we got that idea, then I think we would have to look into it.

Mr. CHOWN: In other words, you expect a package "pat" deal in most instances, with occasional differences to be ironed out by the board.

Dr. STEWART: Yes. We have had this with private radio stations not affiliated, and it is no problem, in our regulations.

Mr. FISHER: What about the collapse of a network or the abolition of a network? What are your views on that? If you want me to give an example, it is the C.B.C. Dominion Network.

Dr. STEWART: We would not like to see a network which is performing a useful function collapse because of financial difficulty, or anything of that kind. I think there is difficulty today and I know that the corporation is thinking about this. There is a question as to whether the dominion network now serves any purpose adequate to justify its continuation. We know that this is a matter in which the corporation is concerned.

Mr. FISHER: Suppose they did decide to abolish it, they would have to come before you for permission to let it go?

Dr. STEWART: Yes.

Mr. HORNER (*Acadia*): My question follows the remark of Dr. Stewart, which he made earlier, that a temporary arrangement for a network hookup was a matter of practically a routine nature, but one of permanency would have to be looked at more closely. Do I gather from that that in the case of a more permanent network hookup, you would feel there is no room for such a network in Canada?

Dr. STEWART: No, I would not think so. On the contrary the board has given some indication that it thinks there is a place for a second network, although we have taken the position that we will not force individual licensees into a second network. We cannot do that; we do not have the power to do that and would not wish to do so anyway. We know that negotiations are going on, the board having given an applicant permission to start a network.



We are seeing whether he is in a position to do so and to meet the conditions under which he would have to operate. We have been in a sense promoting this, on the basis that it fulfils the terms of the national purposes; but if it is uneconomic and would be a burden on the individual stations, and they did not want to come into it, then we are not in a position to force it.

Mr. FISHER: On that last point, would you say a network organization is primarily a program-producing organization or a distribution agency?

Dr. STEWART: It is the whole package that goes along with the network organization. It is both production and distribution.

Mr. FISHER: If you reach the decision that you are not going to force anyone into the pattern, this would indicate surely that the balance is towards distribution rather than towards program producing?

Dr. STEWART: Our interest has been, to a considerable extent, in the production of programs and particularly the production of Canadian programs. It is our view of the operation of a network that it could make a considerable contribution in assisting stations to meet their 45 per cent Canadian content.

The CHAIRMAN: Have we finished with sixteen? We have held over fifteen.

Mr. HORNER (*Acadia*): Fourteen.

The CHAIRMAN: Fourteen, yes. And fifteen as well, plus ten and eleven. I will let the subcommittee know when we can meet and I think this is the right place to adjourn.

—The committee adjourned.

## APPENDIX "A" (i) (Text)

## DRAMATIZATION TELEVISION

Department of Justice,  
Ottawa, Ontario,  
January 4, 1956.

174595

*Re: Dramatized Political Broadcasts*

Dear Mr. Dunton:

I acknowledge receipt of your letter of the 21st instant dealing with the interpretation of "dramatized political broadcasts" in subsection (3) of Section 21 of the Canadian Broadcasting Act.

The question of what is a "dramatized" broadcast in the context is not, of course, capable of precise definition. I have already advised you that a straight discussion or forum, political in character, is not within the terms of the prohibition, in my opinion. The best I can do by way of developing or explaining this opinion is to say that to dramatize means to convert into a drama by the device of a speaker playing a part or assuming a role other than that of himself as a political speaker. An imaginary interview, for example, would fall within this description. Any such broadcast would bring the programme within the terms of the prohibition.

As regards the specific suggestions made by you, I note that Items (1) and (2) thereof provide for the sponsoring party taking full responsibility for the statements and for the material used, while Item (4) provides for the rehearsal facilities. None of these would necessarily cause a broadcast to be considered as "dramatized" although, of course, a dramatized political broadcast might possibly involve any or all of these items.

Yours very truly,

(sgd) F. P. Varcoe  
Deputy Attorney-General

A. D. Dunton, Esq.,  
Chairman,  
Canadian Broadcasting Corporation,  
P.O. Box 806,  
OTTAWA, Ontario.

## Appendix "A" (ii) (Text)

P.O. Box 806  
Ottawa, Ontario.  
December 21, 1955.

F. P. Varcoe, Esq., Q. C.,  
Deputy Minister of Justice,  
Department of Justice,  
Ottawa, Ontario.

Dear Mr. Varcoe:

As you are aware, Sub-section (3) of Section 21 of the Canadian Broadcasting Act prohibits dramatized political broadcasts. You have had occasion to consider in the past specific questions that have been raised in connection with this provision.

The policy of this Corporation in the past has been generally to discourage political broadcasts that involved anything other than a single speaker presentation. With the advent of television, however, the political parties have felt that this sort of presentation would be unsympathetic, not to say arid, insofar as the viewing public is concerned. It is felt in some quarters that the policy should be relaxed, and the following suggestions for what, it is felt, would be improved presentation have been made:

(1) Multiple speaker, discussion, and question and answer presentation may be used provided that the sponsoring party takes responsibility for those taking part and for what they say and what they do and that they are identified and appear in their own identity;

(2) To illustrate verbal presentations, stationary non-photographic visual materials will be permitted as follows: charts, graphics (diagrammatic written or printed characters), maps and published material, providing the sponsoring party furnishes all such material and takes full responsibility for the nature of the material and the use made thereof;

(3) Film Footage, film slides, music, animation (including animated cartoon strips) and still photographs (other than still photographs included in other published material) may not be used, except where still photographs are used for identification of persons or of the political party sponsoring the broadcasts, provided such persons are members of the party sponsoring the broadcasts;

(4) The C.B.C. will provide rehearsal and production facilities, setting of furniture, etc. such as would be normally provided by the C.B.C.

(5) All broadcasts must originate as live studio productions.

The provisions of the White Paper for Sound apply except as above.

The Corporation, while it feels relaxation of the policy heretofore adopted is desirable, is concerned lest relaxation along the lines indicated in the suggestions enumerated above, might be construed as offending against the prohibition contained in Sub-section (3) of Section 21 of the Act.

You have had occasion to express opinions in connection with the above noted provision in the Act. In March of 1940 your predecessor (your file JR.4880/40) ruled that a discussion by two members of the Social Credit Party, wherein the said members purported to describe the policies of the Social Credit Party in terms of the current problems facing Canada, constituted a performance in a dramatic manner with theatrical effect; as such it was a dramatized political broadcast and prohibited by the Act.



In July of 1947, on the other hand, you ruled (your file 141144) that a straight discussion or forum on a political subject by several speakers is not a "dramatized political broadcast" within the meaning of the Act.

I suggest that suggestion No. 1 hereinbefore set out, would not, if strictly adhered to, constitute a departure from your ruling of July 1947; no more would suggestion No. 2, provided it was nothing more than an extension visually of the verbal presentation in suggestion No. 1.

I should, in these circumstances, greatly appreciate your views as to whether these suggestions would offend against the prohibition contained in the Act. It may be that you would have suggestions of your own to make in addition, or in substitution for the above toward the relaxation of the Corporation's policy in respect of political broadcasts and still comply with the provisions of the Act. If so, I need not say that I should appreciate having them.

I appreciate the difficulty with which I face you in requesting an opinion in general terms; normally, I know you prefer to rule only on a specific case, as and when it may arise. However, I need not say that it would be most helpful if, even in general terms, you felt disposed to express an opinion in this matter. The officers of this Corporation conversant with this problem would, of course, be available to discuss this question at your convenience.

h,a,u ciretvngao4a(

Yours sincerely,  
(A. D. Dunton).

*Traduction—Translation*

#### APPENDICE «A» (i)

#### FORME DRAMATIQUE DES TÉLÉMISSIONS

Ministère de la Justice,  
Ottawa (Ontario)  
Le 4 janvier 1956

174 595

*Sujet: Émissions politiques présentées sous forme dramatique*

Cher monsieur Dunton,

J'accuse réception de votre lettre du 21 du courant au sujet de l'interprétation à donner au membre de phrase «présentation sous forme dramatique d'émissions ayant un caractère politique», que contient le paragraphe 3 de l'article 21 de la Loi canadienne sur la radiodiffusion.

D'après le contexte, il n'est guère possible de préciser ce qu'est la «présentation sous forme dramatique» d'une émission. Je vous ai déjà exprimé l'avis qu'un débat ou forum à caractère politique ne tombe pas sous le coup de l'interdiction. Pour développer ou commenter mon opinion, tout ce que je puis vous dire c'est que la présentation sous forme dramatique comporte la transformation d'un texte en pièce de théâtre en faisant jouer à celui qui parle un rôle autre que celui d'un orateur politique s'exprimant comme tel. Ainsi, une interview imaginaire répondrait à cette description-là, et l'émission la comportant tomberait sous le coup de l'interdiction prévue par la loi.

Pour ce qui est de propositions concrètes que vous formulez, je constate que la première et la deuxième prévoient que le parti commanditaire assumerait l'entière responsabilité des déclarations et des textes utilisés, tandis que la quatrième porte sur les facilités à organiser pour les répétitions. Aucun de

ces éléments ne ferait en soi considérer qu'une émission est «présentée sous forme dramatique», mais, évidemment, la présentation sous forme dramatique d'une émission à caractère politique pourrait fort bien comporter l'un quelconque ou la totalité des éléments de vos propositions.

Veuillez agréer l'assurance de mes meilleurs sentiments.

Le sous-procureur général,

(Signature) F. P. Varcoe.

Monsieur A. D. Dunton  
Président de la Société Radio-Canada,  
C.P. 806  
Ottawa (Ontario).

*Traduction—Translation*

**APPENDICE «A» (ii)**

Case postale 806,  
Ottawa (Ont.)  
Le 21 décembre 1955

Monsieur F. P. Varcoe, Q.C.,  
Sous-ministre de la Justice  
Ottawa (Ont.)

Monsieur le sous-ministre,

Comme vous le savez, le paragraphe (3) de l'article 21 de la loi canadienne sur la radiodiffusion interdit les émissions politiques dramatisées. Vous avez déjà eu l'occasion, par le passé, d'étudier des questions précises qui ont surgi concernant cette disposition.

D'une façon générale, Radio-Canada a eu jusqu'ici pour ligne de conduite de décourager les émissions d'ordre politique auxquelles participaient plus d'un orateur. Toutefois, depuis l'avènement de la télévision, les partis politiques ont eu l'impression que ce genre d'émission serait peu agréable, voire aride, pour les téléspectateurs. On est d'avis, en certains milieux, que cette ligne de conduite devrait être appliquée d'une façon moins sévère; on propose donc les moyens suivants qui, croit-on, seraient de nature à améliorer les émissions:

(1) L'émission pourra comprendre plus d'un orateur, être présentée sous forme de discussion ou de questions et réponses, pourvu que le parti en cause assume la responsabilité de ceux qui y prennent part, de leurs déclarations et de leurs actes, que leur identité soit établie et qu'ils paraissent à l'émission sous leur véritable nom;

(2) Afin d'illustrer les exposés faits de vive voix, on permettra la projection fixe des données non photographiques suivantes: diagrammes, graphiques (diagrammes imprimés ou écrits à la main), cartes et publications, à condition que le commanditaire fournisse lui-même ces données et se rende pleinement responsable de ce qu'elles contiennent et de l'usage qu'on en fait;

(3) Il sera interdit de présenter des films, des diapositives, de la musique, des dessins animés ainsi que des bandes de dessins animés, des photographies

(autres que les photographies que renferment les publications précitées), à moins que les photographies ne servent à établir l'identité des personnes ou du parti politique qui commanditent les émissions, mais seulement si ces personnes sont membres du parti qui commandite les émissions;

(4) La Société Radio-Canada fournira, comme elle le fait normalement, les locaux pour les répétitions et la réalisation, les meubles qui serviront au décor, etc.,

(5) Toutes les émissions devront passer en direct.

Les dispositions du Livre blanc quant au son s'appliquent, sauf dans les cas énoncés plus haut.

La Société Radio-Canada est d'avis qu'il serait souhaitable d'adoucir la politique suivie jusqu'ici, mais elle se préoccupe qu'un adoucissement effectué dans le sens des propositions précitées pourrait être interprété comme étant une infraction à la disposition prohibitive que prévoit le paragraphe (3) de l'article 21 de la loi.

Vous avez eu l'occasion d'exprimer votre avis au sujet de la disposition précitée. En mars 1940, votre prédécesseur (votre dossier JR.4880/40) a tranché la question en disant qu'une discussion entre deux membres du parti du Crédit social dans laquelle les membres en cause étaient censés parler de la politique du parti du Crédit social en fonction des problèmes actuels qui se posent au Canada, constituait un spectacle d'ordre dramatique accompagné d'effets de théâtre; à ce titre, il s'agissait d'une émission politique dramatisée, interdite en vertu de la loi.

D'autre part, en juillet 1947, vous avez décidé (votre dossier 141144) qu'une franche discussion ou un échange de vues sur un sujet politique par plusieurs participants ne constitue pas «une émission politique dramatisée» aux termes de la loi.

Je crois que la proposition n° 1, exposée ci-dessus, ne serait pas, si l'on s'y en tient strictement, une violation de votre décision de juillet 1947; la proposition n° 2 non plus, pourvu qu'elle ne soit rien de plus qu'une adaptation à l'écran de l'exposé fait de vive voix et que prévoit la proposition n° 1.

Dans ces circonstances, je vous serais très reconnaissant de me dire si, à votre avis, ces propositions iraient à l'encontre des restrictions prévues par la loi. En plus de ces propositions, ou même à leur place, peut-être aurez-vous vous-même des recommandations à faire en vue d'assouplir la règle de conduite de la Société à l'égard des émissions à caractère politique, tout en respectant les dispositions de la loi. Dans le cas de l'affirmative, inutile d'ajouter que j'aimerais bien les connaître.

Je me rends compte du problème que je vous pose en vous demandant une opinion en termes généraux. Je sais que, normalement, vous préférez régler chaque cas particulier, au moment où il surgit. Toutefois, il va sans dire que votre opinion, même si elle est exprimée en termes généraux, nous serait fort utile. Bien entendu, les fonctionnaires de notre Société qui sont au courant de ces problèmes seraient disposés à discuter cette question avec vous à votre bon plaisir.

Bien à vous

A. D. Dunton.



## Appendix "B"

(Text)

## BOARD OF BROADCAST GOVERNORS

November 10th, 1960.

*Memorandum on the Board's Procedures and Decisions  
in the Peterborough Case.*

1. The first communication the Board received with respect to the Peterborough Election was a letter addressed to Mr. W. C. Pearson, Counsel to the Board, dated September 30, from Don Alexander of CHEX-TV, Peterborough. ("A").

Enclosed with Mr. Alexander's letter was the continuity for a one-minute talk submitted by the Peterborough Progressive Conservative Association scheduled for 6.00 p.m. October 14. ("B").

Mr. Alexander asked whether this presentation was acceptable under Section 17 of the Broadcasting Act ("C").

2. On October 5, Mr. Pearson replied to Mr. Alexander that "the type of presentation which you attached is not acceptable as the Board considers that it contravenes Section 17 (1) (a) of the Broadcasting Act." ("D").

3. On the afternoon of October 6, the Chairman was advised that Mr. Grosart, from the Progressive Conservative Party Headquarters, had phoned on behalf of the Peterborough Progressive Conservative Association, and had indicated he was appealing the Board's interpretation of Section 17 (1) (a) of the Act as it applied to continuity submitted to CHEX-TV by the Association, and would submit a memorandum in support of his position.

The Chairman decided, on recommendation of Mr. Pearson, to seek an opinion from the Department of Justice.

4. Mr. Grosart's appeal came forward in his letter of October 6 ("E").

To this letter was attached a memorandum headed "Outline of Format" with sub-heading "On the validity under the Regulations of this type of Program." ("F").

5. On October 7, Mr. Pearson drafted a letter to the Deputy Minister of Justice which was signed by the Chairman, and delivered by hand. ("G").

This letter requested a ruling from the Department on "whether or not the proposal of the Progressive Conservative Association comes within the prohibition contained in paragraph (a) of Section 17 (1) of the Broadcasting Act." Copies of Mr. Grosart's letter and memorandum ("E" and "F"), and of the statement on "Political and Controversial Broadcasting Policies" ("H") were attached.

6. On the morning of October 12, the Board was advised in a telephone call from the Minister of Justice that the Department felt it was not in a position to act as legal adviser to the Board. A letter from the Deputy Minister is attached as Exhibit "I".

7. On the same date it was decided to refer the matter to Mr. A. B. R. Lawrence, who had acted as Counsel to the Board prior to the appointment of Mr. Pearson.

Mr. Pearson wrote Mr. Lawrence asking for an opinion as to "whether or not the proposed program format submitted by the Progressive Conservative Party is a dramatized program within the meaning of Section 17 (1) (a) of the

Broadcasting Act." ("J"). The letter, which was delivered by hand, was accompanied by copies of the memorandum submitted by Mr. Grosart ("F"), the document "H", and the Broadcasting Act.

8. Also on October 12, Mr. Pearson set out in a memorandum the reasons for the original decision which was communicated to CHEX-TV. ("K").

9. On October 13th, Mr. Pearson received a written opinion from Mr. Lawrence. ("L"). Mr. Lawrence stated that in his opinion the format forwarded by Mr. Grosart did not contravene Section 17 (1) (a) of the Broadcasting Act.

10. After discussion between the Chairman, Mr. Allison and Mr. Pearson it was decided to act on the advice received from Mr. Lawrence; and the Chairman prepared a letter to Mr. Grosart. ("M").

On October 14, the Chairman received a telephone call from Mr. Grosart enquiring regarding the disposition of his appeal. The Chairman advised Mr. Grosart of the contents of the letter which had just been signed, and stated that it would be delivered by hand. The letter was duly delivered.

11. On October 26, after his return from the meeting in Fredericton, the Chairman issued a statement, ("O"), in which he denied that the action of the Board was the result of political pressure.

In reviewing the Board's procedures in this case, and in the light of statements and comments appearing in the Press, it seems necessary to comment on a number of points.

(1) Except through statements appearing in the press, the Board had no knowledge of any continuity submitted to station CHEX-TV by another Party. It has been said that the Board initially rejected continuity submitted by the Liberal Party. This is not the case; and, if, as has been alleged, continuity submitted by the Liberal Party was rejected by the station, the Board had no knowledge of this.

It will be noted that Mr. Alexander's letter of September 30 ("A") refers to "a type of presentation proposed by one of the candidates." The Television Copy forwarded with Mr. Alexander's letter indicates that the advertiser was "Peterborough Progressive Conservative Association."

The point is important because the Board has been criticized for confining its reply to Mr. Grosart's letter and memorandum of October 6 ("E") to a letter addressed to Mr. Grosart. It has been said that the Board should have advised the Station. On the assumption that the submission of the Progressive Conservative Association was the only one at issue, the Board's procedure was perfectly proper. Mr. Grosart submitted an appeal to the Board, and the Board gave its decision to him. If Mr. Grosart wished to act on the Board's decision he would convey it to the Station on the authority of the letter. As far as the Board knew the submission of the Progressive Conservative Association was the only one at issue.

If it is a fact that the station turned down, on the same grounds, similar continuity submitted by the Liberal Association, and had the Board known this, it seems likely that the Board would have sent copies of the letter to Mr. Grosart to either or both the Station and the Liberal Association, or would have advised them of the decision in some other fashion. But on the information available to it there was no reason why the Board should do this.

Having decided that film of candidates going about their normal activities should not be considered in contravention of Section 17 (1) (a) of the Broadcasting Act, it was proper that a directive should go to all stations advising them of the interpretation which would be followed by the Board. Prior to leaving for a meeting in Fredericton on October 10, the Chairman drafted a release which was mailed out to all stations on October 27. ("N").



(2) The Board reversed an initial decision on an appeal from Mr. Grosart.

(a) The interpretation of Section 17 (1) (a) of the Broadcasting Act.

The Board's directive to stations on political broadcasts is contained in the document "Political and Controversial Broadcasting Policies" ("D"). The document states "Paragraph (a) of Section 17 (1) of the Broadcasting Act prohibits dramatized political broadcasts, and this prohibition is held to prohibit all political broadcasts incorporating any device which would be considered theatrical. According to legal advice obtained as to the interpretation to be accorded to the Section of the Broadcasting Act, the following presentation policy has been adopted." Then follows, in the document, a list of seven statements referring to material which may or may not be used.

The document "Political and Controversial Broadcasting Policies" is an adaptation of a document previously issued under the Authority of the Board of Governors of the Canadian Broadcasting Corporation. After the passage of the Broadcasting Act, the Board of Broadcast Governors reviewed the document, and with some amendments, re-issued it on its own authority. The statements with respect to the content of political broadcasts were re-issued without amendment, other than to correct the reference to the legislation.

The Board is bound by the Act. The principles and policies set out in the Board's document have no validity unless they are consistent with the terms and intent of the Act. The appeal against the Board's decision was essentially an appeal on the meaning of the words "in dramatized form" as they were used in Section 17 (1) (a) of the Broadcast Act.

(b) When the document "Political and Controversial Broadcasting Policies" was reviewed, it was our understanding that the legal advice referred to in the paragraph dealing with the interpretation of Section 17 (1) (a) of the Broadcasting Act was advice obtained by the Board of Governors of the Corporation from the Department of Justice on the interpretation of a similarly worded section of the Canadian Broadcasting Act.

When an appeal was received by the Board it seemed that the obvious thing to do was to refer it to the Department.

The reasons for the Department's refusal to act as legal adviser to the Board are set out in Mr. Dreidger's letter. The Department must act as legal adviser to the Corporation. If it also acted as legal adviser to the Board, it could find itself involved in a conflict between the Board and the Corporation.

If this is the position which the Department must take, it leaves the Board without authority for the policy incorporated in the document "Political and Controversial Broadcasting Policies", as it refers to Section 17 (1) of the Act, and without recourse to the Department in appeals against decisions of the Board.

Provided the regulations are within the powers of the Board, the Board must take responsibility for its interpretation of its own regulations. However, appeals against the board's interpretation of the Act are in a different category. Where parties feel they are adversely affected by decisions of the Board on interpretation of the Act, there would seem to be a case for securing another opinion on the interpretation. Parties have a right to appeal decisions of the Board on interpretation of the Act, and if the Board is in any doubt an independent opinion should be sought. Having failed to secure an opinion from the Department of Justice, it seemed proper in this case for the Board to seek an opinion elsewhere. The Board turned to Mr. Lawrence because of his previous experience as Counsel to the Board.

(c) It has been said that the Chairman overruled the Counsel to the Board.



It must be appreciated that there are many occasions on which action by the Board hinges on the meaning of words, and that the Board is continuously confronted by new situations and new cases to which the Act, the regulations, and the principles must be applied. There is constant consultation among the Board Members and the Staff on these cases. Differences of opinion are not infrequent, and even when a decision is reached it may be conceded that an alternative opinion could be defended.

Mr. Pearson's reasons for the original decision are set out in his memorandum of October 12. ("K"). However, at no time did Mr. Pearson take the position that this was the only decision which could reasonably be reached. Mr. Pearson's judgment has time and again been accepted and acted upon by the Board; but on this occasion Mr. Pearson recommended the reference of the appeal to the Department of Justice and cooperated throughout in obtaining another opinion.

When another opinion was sought it was realized that this opinion might support the initial decision of the Board, or it might not. Having obtained another opinion the decision confronting the Board was not which was the better opinion. It was obvious that either opinion could be defended. The Board had to decide which course to follow; to stand on its original position or to accept the alternative interpretation.

In our opinion the Board should be prepared on many occasions to obtain an outside opinion on appeals against the Board's interpretation of the Act. It should not be bound to accept this opinion. On the other hand, it should fail to act on the opinion only if it feels the reasons for the opinion are weak, and that the initial position taken by the Board can be more readily defended.

The decision of the Board to act on the opinion obtained from Mr. Lawrence is no reflection on the judgment of Mr. Pearson. The Chairman and Mr. Allison merely felt that Mr. Lawrence had made a good case for the opinion he gave, and that, having sought the opinion, the Board should act on it.

- (d) The crux of the matter is the interpretation of the word 'in dramatized form' as they appear in Section 17 (1) (a) of the Broadcasting Act. The essence of the Board's decision is that film material showing a candidate going about his normal activities as a candidate is not a presentation in dramatized form. The Board believes that this interpretation of the words of the Act can be defended as a reasonable one. Moreover, it is the opinion of the Board that it reflects a policy which will prove to the advantage of television and of the political process in this country.

Television is a relatively new medium. It has characteristics which distinguish it from other media of communication. Because it is new we have not yet learned how fully to exploit the advantages which the medium offers and how to make the most of its potentialities. We fail to see what is to be gained by prohibiting television stations from carrying programs showing candidates going about their normal activities. This kind of needless restriction seems to us to be calculated only to prevent television from serving the public interest as fully as it is capable of doing.

"A" and "C"

## CHEX-TV CHANNEL 12 PETERBOROUGH-ONTARIO

September 30, 1960.

Mr. W. C. Pearson,  
Counsel, Board of Broadcast Governors,  
48 Rideau Street,  
Ottawa, Ontario.

Dear Mr. Pearson:

*Political Telecasts; Your file 252 CHEX-4*

I am attaching a copy of a type of presentation proposed by one of the candidates in our forthcoming *Federal* By-Election. Is this presentation acceptable under Section 17 of the Broadcasting Act, section 17 (1) paragraph (a), dramatized broadcasts.

Another problem has arisen. I refer you to my letter of September the 14th, regarding telecasting the October 17th Provincial Affairs programme, and your answer of September the 20th. The C.B.C. informs me that the October 17th programme *will* be carried on the regional network, and there is again a question of unequal distribution of free time, even though the programme is by the Provincial member.

I will leave the Provincial Affairs question with you but would appreciate an immediate answer on your interpretation of the attached program presentation.

Yours truly  
Don Alexander.

CHEX-TV

"B"

## TELEVISION COPY

Date: Oct. 14

Advertiser: Peterborough Progressive Cons. Assn.

Time Scheduled: 6:40 p.m. Program Title: One Minute Talk

VIDEO

SL:

CAMERA: Mr. Labranche at desk  
A member of P.B.O.  
P.C. Assn.

Audio (Floor Desk Mike)

(Booth Political Telecast Annot)

This is Pete Labranche of the Peterboro Progressive Conservative Association. In a little over two weeks time, you'll be casting your vote in the Peterboro West Federal By-Election.

Your Progressive Conservative candidate's willingness and ability to work with and help people is being demonstrated right now. Harold Matthews, is shown here with some of the Peterborough People, who are working for him in this election.

At the Progressive Conservative Committee rooms where this film was taken earlier this week, Mr. Matthews has shown time and time again, his organizational abilities and his eagerness to "get things done".

FILM: Sequence interior P.C. Com.  
Rooms

The time spent with his workers in our committee rooms is only a small part of Mr. Matthews' day. From here he is visiting throughout the riding every day, again demonstrating his energy to work for others.

SLIDE: PIC Mr. Matthews.

(BOOTH) A man of ability, energy, and the desire to work for you. Vote Harold Matthews Progressive Conservative for Peterborough riding.

written by..... checked by.....

Announcer.....

(BOOTH) POLITICAL TELECAST ANNCT

"D"

October 5, 1960.

Our file: 252-CHEX-4

Don Alexander, Esq.,  
CHEX-TV,  
Peterborough, Ontario.

Dear Sir:

I herewith acknowledge your letter of September 30th.

Please be advised that, in the opinion of the Board, the type of presentation which you attached is not acceptable, as the Board considers that it contravenes Section 17(1)(a) of the Broadcasting Act.

With regard to your second question, on the Provincial Affairs program, it would appear that for the purposes of the election campaign, there is a disparity of time. The Provincial Affairs program is not one which is allocated in view of an election, and in the over-all series, will result in an equitable distribution of time. For this reason, no change would be made in the October 17th program. The October 31st program is being changed because of the prohibition of any political programming on election day and for 48 hours prior.

Yours truly,

W. C. Pearson,  
Counsel.



## THE PROGRESSIVE CONSERVATIVE PARTY OF CANADA

National Headquarters

141 Laurier Avenue West  
Ottawa, Canada

Telephone CE. 3-7711

October 6, 1960

Mr. Carlyle Allison,  
Board of Broadcast Governors,  
Ottawa, Ontario.

Dear Mr. Allison:

Further to our telephone conversation, I am now advised that the proper procedure is for me to submit to the Board of Broadcast Governors an exact outline of the proposed format for political broadcasts by the Progressive Conservative Party in the Peterborough By-election, and to request a ruling that it is within the regulations. For the present purpose, I take these to be the document headed:

"Board of Broadcast Governors,  
Political and Controversial Broadcasting Policies,  
Issued by the authority of the Board of Broadcast Governors as re-  
vised to March 1, 1960."

I am therefore attaching:

I. An outline of the proposed format;

II. The position we take regarding its admissibility.

As the by-election is now under way and our plans for television use somewhat advanced, I would very much appreciate receiving approval in principle as soon as possible.

Sincerely,

Allister Grosart.

"F"

## I. OUTLINE OF FORMAT

1. The program will, of course, have the usual identification of the sponsor.
2. An announcer or commentator, identified by name as a representative of the Progressive Conservative Party, will make an introductory statement saying that the Progressive Conservative candidate, Harold Matthews, is conducting a vigorous campaign throughout the constituency. He will say that it is felt this would be of interest to the people of the Peterborough Riding and that for this reason we have engaged a T.V. cameraman to follow him around and report the camera highlights of his campaign. These will consist of shots of Matthews at home, in his office, on the street, at factory gates, on farms, etc. He will be shown generally greeting people and speaking to them in the normal manner of a candidate's canvass.

3. These camera sequences will be visual without sound. The sound within the format of the program will be limited to explanation or description by the identified commentator.

4. The candidate might close some programs with a direct audio-visual presentation of his views, or greetings, or request for support.

5. The entire presentation will be on the same actuality basis as if it were straight news coverage of the candidate at work. Nothing will be staged. There will be no hired or planted actors or performers. In many cases, Matthews will not know whether he is being shot or not, although there will naturally be a considerable degree of liaison between him and the cameraman.

6. Finally, no element other than the above will be introduced into any of these programs.

## II. ON THE VALIDITY UNDER THE REGULATIONS OF THIS TYPE OF PROGRAM

1. "A presentation on film for subsequent release on a television station," is permissible under the regulations, Page 2(7), where the film is "in essence a reproduction of a live presentation such as would have been possible under these policies."

It is suggested that the "live presentation" which would be used is permissible. In support of this I recall that the present regulations incorporate changes made under the C.B.C. and agreed to at a meeting of all Parties early in 1958 (February 4th), when plans were being discussed for C.B.C. and private station election coverage. At that time, the political Parties asked if live pickups from public meetings would be permitted. The answer was in the affirmative, and reference was made to the fact that in the 1957 campaign the Conservative Party used filmed presentation of the Prime Minister appearing in P.C. Committee workrooms. The authority for this was an attachment to the confidential minutes of the April 15, 1957 meeting. This attachment was headed, "Presentation Policies (this supersedes previous issues)" in which "presentation on film for subsequent release" was for the first time authorized. This permissive section is that carried forward in the B.B.G. regulations and referred to in (7) on Page 2.

2. Assuming as above that the technical aspects are permissible, the only further interpretation that might be required is the point covered by the second paragraph on Page 2. This states that the Broadcasting Act prohibits "dramatized political broadcasts, and this provision is held to prohibit all political broadcasts incorporating any device which would be considered theatrical."

It is respectfully submitted that the type of programming suggested is, in all respects, the very opposite of dramatic and theatrical in the context of television programming. It involves no paid performance, no dramatic devices, no stage sets or scenery, no rehearsals, no stage or camera direction, and even (with the exception of the commentator's remarks) no prepared script. It lacks every element normally associated with the words and sense of "dramatic" and "theatrical". These programs would be news in the sense that they are recordings of actual events during the campaign.

It may be suggested that a program of this type would have (as we believe it would) considerable dramatic impact. It is difficult to believe that the use of the word "dramatic" was intended to prohibit this, as that is obviously the goal of any effective use of television. A good television speech or set, or the use of photographs, film clips, slides, graphs, etc., all of which are specifically permitted, might also have dramatic impact but are not prohibited for that reason.

3. The present proposal is for the same type of programming which was used by the Progressive Conservative Party in 1957 under the same type of circumstances on purchased time on private stations during an election campaign. It is suggested, therefore, that a precedent exists for the approval of the present proposal.

#### SUMMARY

It is submitted that this is the type of broadcast which comes within the regulations and has already been used without, as far as is known, the slightest objection from anyone.

"G"

48 Rideau Street,  
Ottawa 2, Ontario.  
October 7, 1960.

Dear Sir:

We have this date received a request from the Progressive Conservative Party of Canada in regard to a type of programming which they propose to utilize in the Peterborough by-election on October 31st. Section 17(1)(a) of the Broadcasting Act contains a prohibition to stations to broadcast in dramatized form any program, advertisement or announcement of a partisan political character.

Pursuant to this section, which I understand was contained in the former Canadian Broadcasting Act, the then regulatory body, the C.B.C., sought and obtained from the Department of Justice its ruling as to the meaning of this section. This interpretation is included in the Board's White Paper on Political and Controversial Broadcasting, on page 2 thereof, commencing with the second paragraph. I would appreciate if your Department could give a ruling on whether or not the proposal of the Progressive Conservative Party comes within the prohibition contained in paragraph (a) of Section 17(1) of the Broadcasting Act. I might add that the Board has already advised the Peterborough licensee that a similar format does offend against the Regulation.

For your convenience, I am enclosing a copy of the document received from the Progressive Conservative Party, together with the Board's Political and Controversial Policies.

As this matter is urgent, the Board would appreciate your ruling as soon as possible.

Sincerely yours,

(signed) Andrew Stewart.  
Andrew Stewart,  
Chairman.

The Deputy Minister of Justice,  
Ottawa, Ontario.  
By hand



## BOARD OF BROADCAST GOVERNORS

POLITICAL AND CONTROVERSIAL  
BROADCASTING POLICIES

Issued by the authority of the Board of Broadcast Governors

As revised to March 1, 1960

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STATEMENT OF POLICY*Political Broadcasting*

For the proper functioning of representative and democratic government, it is essential that the public should be fully informed of the issues at stake in any election and of the position and policies of the various parties towards those issues. Broadcasting is today one of the most powerful means of disseminating information of this kind.

The *Broadcasting Act* gives to the Board of Broadcast Governors full powers to guide and control all broadcasting, including political broadcasting. *Section 11 (d)* of the statute states that the Board may make regulations "respecting the proportion of time that may be devoted to the broadcasting of programs, advertisements or announcements of a partisan political character and the assignment of such time on an equitable basis to all parties and rival candidates".

Under *Section 29 (1)* of the *Broadcasting Act*, the Canadian Broadcasting Corporation is given responsibility for the operation of a national broadcasting service and in accordance with its general policy of encouraging fair and adequate presentation of controversial questions of public interest and concern, the Corporation has instituted a general plan for party political broadcasting. This plan includes the provision of network time free of charge to recognized political parties during dominion and provincial elections, thus giving such parties the opportunity of speaking to a wide public, irrespective of their capacity to buy time, and a limited amount, of free network time to recognized party leaders or their representatives in the periods between elections.

In addition to free network time, provision is made for the purchase of time on stations under such control as will ensure an equitable division of such purchased time, and secure the public against an excessive amount of political broadcasting to the exclusion of entertainment and other normal programme material.

It is important to note the following statutory provisions with regard to political broadcasting. *Section 17 of the Broadcasting Act* reads as follows:

"17. (1) No licensee shall

- (a) broadcast in dramatized form any program, advertisement or announcement of a partisan political character, or
- (b) broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held for the election of a member of the House of Commons the legislature of a province or the council of a municipal corporation, or on the two days immediately preceding any such day.

(2) A licensee shall immediately preceding and immediately after broadcasting a program, advertisement or announcement of a partisan political character, identify the sponsor and the political party, if any, upon whose behalf the program, advertisement or announcement was broadcast."

Regulation 6 of the Radio Broadcasting Station Regulations and Regulation 7 (1) of the Radio (TV) Broadcasting Regulations include the following important provision: "Each station shall allocate time for the broadcasting of programmes, advertisements or announcements of a partisan political character on an equitable basis to all parties and rival candidates."

Paragraph (a) of Section 17 (1) of the Broadcasting Act prohibits dramatized political broadcasts, and this provision is held to prohibit all political broadcasts incorporating any device which would be considered theatrical.

According to legal advice obtained as to the interpretation to be accorded this Section of the Broadcasting Act, the following presentation policy has been adopted:

(1) Multiple speaker, discussion, and question and answer presentation may be used provided that the sponsoring party takes responsibility for those taking part and for what they say and what they do, and that they appear in their own identity; originating station to arrange to record (audio) such broadcasts for record purposes if no scripts are available.

(2) To illustrate verbal presentations, stationary non-photographic visual materials will be permitted as follows: Charts, graphics, (diagrammatic written or printed characters), and maps providing the sponsoring party furnishes all such material and takes full responsibility for the nature of the material and the use made thereof.

(3) Subject to Paragraphs (4), (5), (6), (7) and (8), film clips, slides, music, animation, cartoons and still photographs may not be used.

(4) Still photographs showing only individual persons may be used provided such persons are members of the party sponsoring the broadcasts.

(5) Film clips carrying only messages by party representatives and prepared exclusively for use in political broadcasts by that party may be incorporated in live broadcasts on individual stations provided the material thus filmed in all respects meets all other provisions of these policies.

(6) Slides, when used for technical reasons, are permissible. (Superimposing name of candidate, party insignia or graphics used to illustrate verbal presentation.)

(7) Subject to compliance with Paragraphs 1 to 6 inclusive hereof, a sponsoring party may make a presentation on film for subsequent release on a television station, provided the film is in essence a reproduction of a live presentation such as would have been possible under these policies.

(8) Graphs and like material will not be considered animation, provided there is at least a 1-second (24 frame) pause between each addition to or subtraction from the graph. An addition must remain stationary in relation to the camera once it has been placed on the graph.

The prohibition of political broadcasting on election day and the two days immediately preceding it has been held to apply only to the election day immediately concerned. For instance, if polling for a provincial general election is being held on the 10th of the month, and polling for a federal by-election on the 15th, political broadcasts on behalf of the federal candidates may take place on the 8th, 9th and 10th, but in such case it is the responsibility of the station management to ensure that candidates make no reference to purely provincial matters or to persons concerned in the provincial election.

During the three prohibited days up to the closing of the polls, no political programme, advertisement or announcement of a partisan political character may be broadcast. This prohibition does not apply to referenda or plebiscites, except where such referendum or plebiscite is held under the provisions of the Canada Temperance Act.

In accordance with Section 13 (4) (b) of the Broadcasting Act, all subsidiary hookups booked for political broadcasting must be arranged through the Board. All political bookings must be registered at the Board of Broadcast Governors, 48 Rideau Street, Ottawa 2, Ontario, prior to presentation of the broadcasts.

### *Controversial Broadcasting*

The Board does not exercise censorship. It does not restrict the nature of material to be broadcast, except to see that such material conforms with its printed regulations.

The policy of the Board, with regard to controversial broadcasting, is based on the following principles:

1. The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.
2. The air must not fall under the control of any individual or groups influenced by reason of their wealth or special position.
3. The right to answer is inherent in the democratic doctrine of free speech.
4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

In the view of the board, these principles are not promoted by the sale of network time to individuals or commercial concerns for broadcasts of opinion or propaganda. The principles can be furthered by the provision of free time to competent speakers to present, without let or hindrance, varying points of view on questions of the day. The best safeguard of freedom of discussion is a policy which permits opportunity for the expression of varying points of view.

## PART I

### POLITICAL BROADCASTING

#### GENERAL

Any free time network broadcasts over the Canadian Broadcasting Corporation will be arranged by agreement between the corporation and representatives of interested political parties. In the event that agreement cannot be reached for such free time broadcasts, the Board will, upon the matter being referred to it by either the Corporation or the representatives of the party concerned, allocate the available time in such fair and reasonable manner as it deems necessary.

#### SECTION A:

### DURING GENERAL ELECTION CAMPAIGNS

#### 1. *National Elections*

##### (a) Commencement of Campaign:

For the purposes of broadcasting arrangements, the campaign will be held to begin on the date of dissolution of Parliament, or, if the date of polling is announced before dissolution, on a day to be determined by the Board, but not later than the date of dissolution.



(b) *Subsidiary Hookups within a Province:*

There will be available for purchase within each province subsidiary hookups comprising such stations as may wish to sell their facilities. The hookups will be arranged by and through the Board. No subsidiary hookup will be authorized during a period for which a national free time political broadcast is scheduled. No station will be released, for the purpose of inclusion in such hookups, from time reserved by the CBC for the broadcasting of its sustaining or commercial network programmes.

The purpose of these hookups is to permit the national parties to take care of regional campaign requirements. It is also to afford an opportunity to engage in network broadcasting on a limited scale to parties which have not attained national proportions, and which, on that account, would not be given time free on a national network. Such hookups will be restricted exclusively to stations located within the boundaries of the province in question, except that provision may be made for the inclusion of a station in an adjoining province where geographic conditions make it essential for adequate coverage of the province.

(c) *Individual stations:*

Individual stations will be at liberty to sell time to political candidates and parties for single-station broadcasts only, subject to the terms of the Broadcasting Act and the regulations thereunder.

No individual station may carry a local political broadcast at the same time as there may be a national free time political broadcast.

(d) *Reserved Time:*

No station will be granted release for political purposes from time reserved by the CBC for the broadcasting of its sustaining or commercial network programmes.

2. *General Elections for Provincial Legislatures*(a) *Commencement of Campaign:*

For the purposes of broadcasting arrangements, the campaign will be held to begin on the date of dissolution of the legislature, or, if the date of polling is announced before dissolution, on a day to be determined by the Board, but not later than the date of dissolution.

(b) *Subsidiary Hookups:*

Subsidiary hookups within the province concerned may be purchased by participating parties. Such hookups will be arranged by and through the Board. No subsidiary hookups will be authorized during a period for which a provincial free political broadcast is scheduled. No station will be released, for the purpose of inclusion in such hookups, from time reserved by the CBC for the broadcasting of its sustaining or commercial network programmes.

(c) *Individual Stations:*

Individual stations will be at liberty to sell time to political candidates and parties for single-station broadcasts only, subject to the terms of the Broadcasting Act and the regulations thereunder.

No individual station may carry a local political broadcast at the same time as there may be a free time provincial political broadcast.

## SECTION B:

IN THE PERIODS BETWEEN GENERAL ELECTION  
CAMPAIGNS (National or Provincial)

- (a) Individual stations may be available for purchase for political broadcasting in the period between election campaigns.
- (b) Permission may be sought from the Board for the simultaneous use of more than one station when such hookup is necessary to cover the area of a riding.

## MUNICIPAL OR CIVIC ELECTIONS

Single stations are the only facilities available for purchase for broadcasting in connection with municipal or civic election campaigns.

## SUMMARY

BROADCASTING FACILITIES AVAILABLE FOR  
POLITICAL BROADCASTING

## GENERAL

Free time broadcast on C.B.C. network as arranged.

*(A) During the period of an Election Campaign**National Election Campaigns:*

- (1) Subsidiary hookups of stations may be purchased within the confines of a province by participating parties.
- (2) Single stations are available for purchase by participating parties or candidates.

*Provincial Election Campaigns:*

- (1) Subsidiary hookups of stations may be purchased within the confines of the province by participating parties.
- (2) Single stations are available for purchase by participating parties or candidates.

*Municipal or Civic Elections:*

Single stations are available for purchase for broadcasting in connection with municipal or civic election campaigns.

*(B) Between Election Campaigns*

Individual stations may be available for purchase between election campaigns subject to the provisions of the Act and the Regulations.

## PART II

CONTROVERSIAL BROADCASTING  
POLICY GOVERNING PURCHASE OF TIME

1. There shall be no sale of time on any network to individuals or commercial organizations for the broadcasting of opinions.
2. Non-commercial organizations or societies interested in public affairs may purchase time on subsidiary hookups or individual stations. Any such hookup must be arranged by and through the Board.
3. For this purpose, non-commercial organizations or societies are defined as those:
  - (a) which are established for other than commercial or quasi-commercial purposes whose objects are social, educational, economic, philanthropic or of a similar nature, and are of general public interest and concern;
  - (b) which have been in existence for at least a year prior to the application for subsidiary hookup facilities.
4. Societies or organizations desiring to purchase subsidiary hookup time must accept full responsibility for the broadcast.

5. Each broadcast must be preceded and concluded by appropriate announcements making clear the nature and substance of the broadcast, and indicating that equal facilities are available on the same basis for the expression of opposing views.
6. Time purchased for controversial broadcasting must be limited so that it does not unduly interfere with normal programme requirements.
7. The broadcast must be of sufficient interest to the public to justify inclusion in the programme schedule.
8. During the period of an election, societies and organizations have the same purchasing rights as political parties.

## GENERAL

*Freedom of Speech:*

In accordance with its policy of resisting any attempts to regiment opinion or to abuse freedom of speech, the Board lays down no specific rulings covering controversial broadcasting. The Board itself supports the policy of the fullest use of the air for:

- (a) Fortright discussion of all controversial questions;
- (b) equal and fair presentation of all main points of view;
- (c) the discussion of current affairs and problems by informed authoritative and competent speakers.

Broadcasting is a changing and evolving art and no fixed and permanent criteria can be set down for the best method of presenting controversial material.

These policies have been adopted in an effort to ensure that the medium of broadcasting may remain at the disposal of the nation, regardless of party, section, class or creed.

## DEPARTMENT OF JUSTICE

OTTAWA 4, October 11, 1960.

Dear Dr. Stewart:

I have to refer to your letter of October 7 in which you ask me to give a ruling on the interpretation of section 17 of the Broadcasting Act, in relation to a proposal made to you by a political party.

I am of the view that it would not be proper for me to give legal advice to the Board of Broadcast Governors. You may recall that, at your organization meeting, I pointed out that the Board of Broadcast Governors was, in my judgment, not an organization to which the Minister of Justice, or the Deputy Minister of Justice, would be bound to give legal advice under the provisions of the Department of Justice Act, and that, in any event, the giving of such advice might involve the Department of Justice in a conflict of duty, having regard to the fact that the Canadian Broadcasting Corporation is, by statute, declared to be an agent of the Crown.

Yours truly,

Deputy Attorney General of Canada.

Dr. Andrew Stewart,  
Chairman,  
Board of Broadcast Governors,  
48 Rideau Street,  
OTTAWA 2, Ontario.



"J"

October 12, 1960.

*By Hand*

A. B. R. Lawrence, Esq., Q.C.,  
Honeywell, Baker, Gibson, Wotherspoon,  
Lawrence & Diplock,  
224 Laurier Avenue West,  
Ottawa 4, Ontario.

Dear Sir:

Further to our telephone conversation this date, I am herewith enclosing the following:

1. Copy of a request from The Progressive Conservative Party of Canada;
2. Copy of the Political and Controversial Policies of the Board of Broadcast Governors;
3. Copy of the Broadcasting Act.

As I advised you on the 'phone, the Board requires an interpretation as to whether or not the proposed program format submitted by the Progressive Conservative Party is a dramatized program within the meaning of Section 17(1)(a) of the Broadcasting Act. This section appeared in the previous Canadian Broadcasting Act, and an interpretation was obtained by the then responsible body, the Canadian Broadcasting Corporation. This interpretation is to be found on page 2 of the Political and Controversial Broadcast Policy statement, beginning with the third paragraph on that page.

As I mentioned, the opinion is urgently required and we would appreciate any endeavour that you can make in order to let us have this at the soonest possible instant. If you will kindly submit your account, I am advised that the necessary authority will be sought to pay same.

Yours truly,  
W. C. Pearson,  
Counsel.

"K"

## MEMORANDUM

October 12, 1960.

Section 17(1)(a) of the Act reads as follows:

"No licensee shall broadcast in dramatized form any program, advertisement or announcement of a partisan political character."

Assuming firstly that any broadcast by a political party on behalf of a candidate in an election is of a partisan political character, the question to be determined is whether or not a program, advertisement, etc. is in dramatized form.

"Dramatize" is defined in the Concise Oxford Dictionary as "to make a dramatic scene of", "convert into a play, admit of such conversion".

"Dramatic" is defined as "of drama", and "drama" is defined as "stage-play; the dramatic art, composition and presentation of plays; sets of events having the unity and progress of a play and leading to catastrophe or consummation." It would appear to me that a video presentation of a series of shots of a candidate being pictured as hard-working, industrious, etc., etc. comes within this definition.

Under the Board's White Paper on political broadcasting, Section 3 on page 2 reads as follows:

"Subject to paragraphs 4, 5, 6, 7 and 8, film clips, slides, music, animation, cartoons and still photographs may *not* be used."

Section 5 allows the use of film clips carrying only messages by party representatives, and Section 7 provides that "a party may make a presentation on film provided the film is in essence a reproduction of a live presentation such as would have been possible under these policies." The policy of the White Paper also prohibits any political broadcast incorporating any device which would be considered theatrical.

"Theatrical" is defined in the Concise Oxford Dictionary as "1. calculated for effect, showy, affected; of or suited to the theatre, of acting or actors".

Again, it seems to me that the proposed format is a device which is effected to show certain qualities of the candidate in a theatrical manner rather than by some supporter simply stating these in an unaffected manner.

For either of the above two reasons, I am of the opinion that the proposed format does offend against Section 17(a).

W. C. Pearson,  
Counsel.

WCP:LW

"L"

HONEYWELL, BAKER, GIBSON, WOTHERSPOON,  
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A. B. R. Lawrence, Q.C.  
D. D. Diplock  
L. F. Gorman  
R. D. Viets  
J. G. M. Hooper

Cable Address "Welcald"  
Telephone CEntral 2-1143

October 13th, 1960.

W. C. Pearson, Esq.,  
Counsel,  
Board of Broadcast Governors,  
48 Rideau Street,  
Ottawa, Ontario.

Dear Sir:

This is in reply to your letter of today's date in which you ask my opinion as to whether or not a program or programs following the format described in Mr. Grosart's letter of October 6th would contravene the provisions of Section 17(1) (a) of the Broadcasting Act.

In my opinion, if a program strictly adheres to the description given by Mr. Grosart and is consistent with the purpose, intention and spirit comprised in his remarks, it would not infringe the restriction set out in the pertinent section of the Act.

The words requiring interpretation are "dramatized form" and I feel that these words are somewhat more limited in their application than might result from use of the word "dramatic" standing alone. In other words, I consider that the pertinent words define the *manner* of presentation as distinguished from the *effect* upon the viewer. In the eye of the beholder many things may have a dramatic effect which have no connection with dramatic form. In my opinion the legislation in question is essentially directed towards controlling the manner, technique, structure and format of the presentation and does not endeavour to deal with the uncertain and intangible effect upon the viewer which the word "dramatic" in its widest sense would encompass.

Earlier in these remarks, I referred to the spirit of the program format as described by Mr. Grosart. I do this because I feel that it would be possible for a program comprised essentially of film of actual happenings to impinge upon the restriction set out in the Act, and in this regard my mind is directed to the type of presentation to be found in the wartime productions of "Canada Carries On" and perhaps some of the present nature films of the Disney Studios.

This opinion is given with some reticence because although there are very numerous cases reported involving interpretation of the word "dramatic", particularly in the field of copyright, I do not feel that they are pertinent to the interpretation under consideration. As a result I have interpreted the words "dramatized form" on the basis of common English usage, being of opinion that a court of law would find itself required to use such a basis.

In view of this, this opinion has been kept brief because its expansion would be merely an exercise in semantics.

Sincerely,

A. B. R. Lawrence.

"M"

48 Rideau Street,  
Ottawa, Ontario.  
October 14, 1960.

By Hand

Dear Mr. Grosart,

Since receiving your letter of October 6 with submissions referring to the proposed format for a political program in Peterborough, the Board has sought and obtained legal opinion on the admissibility of the proposed format under the Broadcasting Act and the principles incorporated in the document "Political and Controversial Broadcasting Policies".

The crux of the matter is the interpretation of the words "dramatized form" contained in Section 17(1)(a) of the Broadcasting Act.

The opinion we have received is that if a program adheres to the description given and is consistent with the purpose, intention and spirit expressed it would not infringe the restriction set out in the Act.

The Board is prepared to accept this opinion, and to endeavour to apply it consistently in all cases which may come to the attention of the Board.

We believe that the essence of this decision is that, film material which records the normal activities of a candidate engaged in an election, will be judged to be within the meaning and intent of Section 17(1)(a). The Board will, however, have to rule out all situations which appear to have been devised or



constructed for the purpose of the program, and depart from those practices normally engaged in by candidates.

I am, therefore, conveying to you the approval of the Board of the "Outline of Format" submitted with your letter of the 6th.

Yours sincerely,

Andrew Stewart,  
Chairman.

Allister Grosart, Esq.,  
National Director,  
The Progressive Conservative Party of Canada,  
141 Laurier Avenue West,  
Ottawa, Ontario.

"N"

BOARD OF BROADCAST GOVERNORS  
BUREAU DES GOUVERNEURS DE LA RADIODIFFUSION

To All Radio and Television Stations:  
Circular No. 20—October 27, 1960

Section 17(1) of the Broadcasting Act reads as follows: "No licensee shall

(a) broadcast in dramatized form any program, advertising or announcement of a partisan political character."

The Board's white paper on political broadcasting, attached to Circular No. 14, permits the use of film material.

The board has recently had occasion to interpret the format of this film material, and has given the following opinion:

"Film material recording the normal activities of a candidate engaged in an election is not judged to be 'in dramatized form', and therefore is acceptable under Section 17(1) of the Act."

The Board will, however, rule out all situations which appear to have been devised or constructed for the purpose of the program and which depart from those practices normally engaged in by a candidate.

Andrew Stewart,  
Chairman.

"O"

OTTAWA, October 26, 1960.

*Press Release*

Mr. C. Donald Munro, Liberal candidate in the Peterborough by-election, is reported as having charged that the Board of Broadcast Governors acted under pressure in approving a program sponsored by the Progressive Conservative Party. Mr. Munro is also reported as having demanded the resignation of the Chairman of the B.B.G.

In commenting earlier on these reports, the Chairman said that Mr. Munro did not have all the facts relevant to the case. The essential fact of which Mr. Munro was apparently unaware was that the Board had sought independent advice and had acted on the advice obtained.

The Board's problem in the Peterborough case was one of interpretation of the Broadcasting Act. Section 17(1) of the Act says 'No licensee shall broadcast in dramatized form any program, advertisement or announcement

of a partisan political character'. It was the meaning of the words 'in dramatized form' that was at issue.

The Board was presented with a proposal in which a candidate was to be shown, on film, going about the normal activities of a candidate; e.g. calling at homes or places of business, speaking to people on the street, kissing babies, etc. The question was whether this filmed material should be considered as a presentation 'in dramatized form'.

The Board is conscious of the fact that it is bound by the Broadcasting Act, and that its procedures and decisions must be consistent with the meaning and intent of the Act. Among the Board members and staff, there was some doubt as to how to apply the wording of the Act in this case. It was, therefore, decided to get an outside opinion.

The Board requested an opinion from the Department of Justice but was advised by the Deputy Minister that, in his view, it would not be proper for him to give legal advice to the Board of Broadcast Governors. The question was then referred to Mr. A. R. B. Lawrence, Q.C., who had acted as Counsel to the Board for a number of months before the appointment of a permanent Counsel to the Board, and who was familiar with the Act and the Board's responsibilities.

The opinion received by the Board from Mr. Lawrence was that the program could not be judged to be 'in dramatized form' and was, therefore, not in contravention of Section 17(1) of the Act. The Board was not, of course, obliged to accept this opinion. However, it was decided to do so.

Enquiries with respect to the acceptability of continuity may come from stations, agencies or sponsors. The decision of the Board is always conveyed to those who make the enquiry. The decision in this case was passed to Mr. Grosart in a reply to the letter submitted by him. The Board has prepared a directive to all stations advising them of the Board's interpretation of Section 17(1) of the Act. The Board's decisions in particular cases become applicable to all similar cases; and the Board endeavours to apply this principle uniformly, without partiality or discrimination. Having decided, in this instance, on an interpretation of the words 'in dramatized form', the Board is committed to applying the same interpretation to all similar cases at any time, on any station, for material to be used by any party.

The Board will accept and approve programs showing candidates going about their normal activities as candidates. It will rule out any material which is contrived, devised or constructed specifically for the purpose of the program, and which departs from the normal activities of a candidate for public office.

The only issue in this case is whether a film strip showing a candidate going about his normal business is 'in dramatized form'. Any other considerations are extraneous or irrelevant. There can be differences of opinion on the issue. However, the Board believes that the opinion it has obtained, and the interpretation it proposes to implement, will appear as a reasonable and acceptable interpretation of the legislation by which the Board is bound.

As a citizen, Mr. Munro is right in insisting that the Board of Broadcast Governors must be free from partisan political pressures, however they may be exerted, and must resist them when they occur. There was in the Peterborough case no pressure on the Board, and the Board did not come to its decision as a result of pressure. Mr. Munro is also entitled to express his opinion on what the Chairman of the Board should or should not do; and this should not be interpreted as putting pressure on the Board. However, not being fully informed on all the circumstances, Mr. Munro came to a mistaken conclusion. Consequently, the Chairman sees no reason to follow Mr. Munro's advice.

## APPENDICE "B"

*Translation—Traduction*

## BUREAU DES GOUVERNEURS DE LA RADIODIFFUSION

le 10 novembre 1960

*Mémoire au sujet des procédés et décisions du Bureau dans le cas de Peterborough*

1. La première communication que le Bureau a reçue au sujet de l'élection de Peterborough fut une lettre en date du 30 septembre adressée à M<sup>e</sup> W. C. Pearson, avocat du Bureau, par M. Don Alexander de la station de télédiffusion CHEX. («A»).

M. Alexander joignait à sa lettre le texte d'une causerie d'une durée d'une minute prévue pour le 14 octobre à six heures du soir, soumis par l'Association des progressistes conservateurs de Peterborough. («B»).

M. Alexander demandait si ce texte était acceptable selon les dispositions de l'article 17 de la Loi sur la radiodiffusion. («C»).

2. Le 5 octobre M<sup>e</sup> Pearson a répondu comme suit à M. Alexander: «Le genre de texte que vous joignez à votre lettre n'est pas acceptable car le Bureau considère qu'il enfreint à l'alinéa a) du paragraphe 1 de l'article 17 de la Loi sur la radiodiffusion.» («D»).

3. Dans l'après-midi du 6 octobre on avertit le président que M. Grosart, du bureau central du parti progressiste conservateur avait téléphoné au nom de l'Association des conservateurs de Peterborough en donnant à entendre qu'il en appelait de l'interprétation donnée par le Bureau de l'alinéa a) du paragraphe 1) de l'article 17 de la loi dans son application au texte soumis par l'association à la station de télédiffusion CHEX et qu'il soumettrait un mémoire à l'appui de la position qu'il prenait.

Sur les conseils de M<sup>e</sup> Pearson le président décida d'obtenir l'opinion du ministère de la Justice.

4. M. Grosart formula son appel dans une lettre en date du 6 octobre («E»).

Il attachait à cette lettre un mémoire intitulé «Schéma de l'émission» et portant comme sous-titre «Admissibilité en vertu des règlements de ce genre d'émission.» («F»).

5. Le 7 octobre M<sup>e</sup> Pearson rédigea une lettre adressée au sous-ministre de la Justice que le président signa et qui fut remise par porteur.

Dans cette lettre, on demandait que le ministère rende une décision concernant le point suivant: «La proposition de l'Association progressiste conservatrice tombe-t-elle sous le coup de l'interdiction mentionnée à l'alinéa a) de l'article 17 (1) de la Loi sur la radiodiffusion». Des copies de la lettre et du mémoire («E» et «F») de M. Grosart, ainsi que la déclaration intitulée: «Directives visant les émissions politiques et les émissions de controverse» («H») étaient annexées.

6. Le matin du 12 octobre, le ministère de la Justice, par un appel téléphonique, informait le Bureau que le ministère ne pouvait pas agir comme conseiller juridique. Ci-joint, une lettre du sous-ministre, comme pièce «I».

7. A la même date, il a été décidé de déferer cette affaire à M<sup>e</sup> A. B. R. Lawrence, qui avait agi comme avocat de la Commission avant la nomination de M. Pearson.



M<sup>e</sup> Pearson a demandé à M<sup>e</sup> Lawrence une opinion sur le sujet suivant: «Le projet d'émission que soumet le parti progressiste-conservateur constitue-t-il une présentation sous forme dramatique aux termes de l'article 17 (1) a) de la Loi sur la radiodiffusion». («J»). La lettre qui a été livrée en personne, contenait également des copies du mémoire qu'a soumis M. M. Grosart («F»), ainsi que le document «H» et un exemplaire de la Loi sur la radiodiffusion.

8. Le 12 octobre, M<sup>e</sup> Pearson a indiqué dans un mémoire les raisons qui ont motivé la décision originale communiquée au poste CHEX-TV. («K»).

9. Le 13 octobre, M<sup>e</sup> Pearson a reçu une opinion écrite de M<sup>e</sup> Lawrence. («L»). Ce dernier a déclaré que, à son avis, le projet d'émission que M. Grosart avait adressé n'était pas contraire à l'article 17 (1) a) de la Loi sur la radiodiffusion.

10. Après discussion entre le président, M. Allison et M<sup>e</sup> Pearson, il a été décidé de prendre des mesures conformes à l'avis qu'avait donné M. Lawrence, et le président a préparé une lettre à M. Grosart. («M»).

Le 14 octobre, le président a reçu de M. Grosart un appel téléphonique au sujet de la disposition de son appel. Le président a informé M. Grosart du contenu de la lettre qui venait d'être signée, et il a déclaré qu'elle serait livrée en personne, ce qui fut fait.

11. Le 26 octobre, à son retour de la réunion de Fredericton, le président a fait une déclaration («O») dans laquelle il niait que les mesures prises par le Bureau fussent la conséquence d'influences politiques.

Si on examine la façon de procéder du Bureau dans cette circonstance, et à la lumière des déclarations et des commentaires qui ont paru dans les journaux, il semble nécessaire d'expliquer certains points.

(1) Le Bureau n'a pas été mis au courant des textes qui ont été soumis au poste CHEX-TV par un autre parti si ce n'est par l'intermédiaires des déclarations qui ont été faites dans les journaux. On a dit qu'au début le Bureau avait rejeté un texte soumis par le parti libéral. Ce n'est pas le cas; et si, comme la chose a été alléguée, un texte soumis par le parti libéral a été refusé par le poste, le Bureau n'en n'a pas eu connaissance.

On remarquera que la lettre de M. Alexander en date du 30 septembre («A») parle d'un «genre de présentation proposé par un des candidats». Le texte pour la télévision qui a été inclus avec la lettre de M. Alexander indique que le commanditaire était l'Association progressiste-conservatrice de Peterborough.

Ce point est important parce que le Bureau a été critiqué pour n'avoir répondu à la lettre et au memorandum de M. Grosart en date du 6 octobre («E») que par une lettre adressée à M. Grosart. On a dit que le Bureau aurait dû avertir le poste. Si l'on suppose que le projet de l'Association progressiste-conservatrice était la seule question contestée, le Bureau a procédé d'une façon parfaitement appropriée. M. Grosart en a appelé au Bureau et le Bureau lui a fait part de sa décision. Si M. Grosart désirait agir d'après la décision du Bureau il pouvait la transmettre au poste en s'appuyant sur l'autorité de la lettre. Dans la mesure où le Bureau des gouverneurs a été mis au courant de la situation seul le texte de l'Association progressiste-conservatrice a été contesté.

S'il est vrai que le poste a rejeté pour les mêmes raisons un texte semblable soumis par l'Association libérale et si le Bureau avait été mis au courant de ce fait, il est probable qu'il aurait fait parvenir des copies de la lettre qu'il a écrite à M. Grosart au poste de télévision ou à l'Association libérale, ou aux deux organismes, ou bien qu'il leur aurait fait connaître sa décision d'une autre façon. Mais, avec les renseignements qu'il possédait, le Bureau n'avait pas de raisons pour procéder ainsi.

Ayant décidé qu'un film illustrant l'activité normale des candidats ne serait pas une infraction à l'article 17 (1) a) de la Loi sur la radiodiffusion, il était normal que le Bureau envoie un avis à tous les postes pour leur faire savoir quelle ligne de conduite il entendait suivre à ce sujet. Avant de partir pour la réunion de Fredericton le 10 octobre, le président a rédigé une circulaire qui a été expédiée à tous les postes le 27 octobre («N»).

(2) Le Bureau a révoqué la première décision prise lors d'un appel interjeté par M. Grosart.

a) Interprétation de l'article 17 (1) a) de la Loi sur la radiodiffusion.

Les directives du Bureau aux divers postes, en ce qui a trait aux émissions politiques, sont contenues dans le document qui s'intitule «Directives visant les politiques et les émissions de controverse» («D»). On précise dans le document que «L'alinéa a) du paragraphe 1 de l'article 17 de la Loi sur la radiodiffusion défend de radiodiffuser, sous forme dramatique, des émissions politiques, et cette disposition défend aussi toutes les émissions politiques qui comporteraient un aspect théâtral. Conformément aux conseils d'ordre juridique qui nous ont été donnés au sujet de l'interprétation qu'il faut donner à l'article en question de la Loi sur la radiodiffusion, la ligne de conduite suivante a été adoptée». Le document donne alors une liste de directives, au nombre de sept, où il est fait mention de ce qu'il est permis ou non d'employer.

Le document «Directives visant les émissions politiques et les émissions de controverse» est une adaptation d'un document émis précédemment par ordre du Bureau des gouverneurs de la Société Radio-Canada. Après l'adoption de la Loi relative à la radiodiffusion, le Bureau des gouverneurs de la radiodiffusion a examiné à nouveau le document et, après y avoir apporté quelques modifications, l'a publié de nouveau de sa propre autorité. L'énoncé des règlements ayant trait à la teneur des émissions politiques a été publié sans modifications autres que celles qui se rapportaient aux renvois à la loi.

Le Bureau est assujéti à la loi. Les principes et lignes de conduite établis dans le document du Bureau ne sont valides que lorsqu'ils sont conformes aux dispositions et intentions de la loi. L'appel du jugement du Bureau portait essentiellement sur le sens des mots «sous forme dramatique» employés à l'alinéa a) du paragraphe 1 de l'article 17 de la Loi sur la radiodiffusion.

b) Lorsque le document «Directives visant les émissions politiques et les émissions de controverse» a été examiné à nouveau, nous étions d'avis que les conseils d'ordre juridique, dont il est fait mention dans l'alinéa qui a trait à l'interprétation de l'article 17 (1) a) de la Loi sur la radiodiffusion, étaient des conseils obtenus du ministère de la Justice par le Bureau des gouverneurs de Radio-Canada, au sujet de l'interprétation d'un article de la Loi canadienne sur la radiodiffusion qui était rédigé dans les mêmes termes.

Lorsque le Bureau a reçu un appel, il semblait tout naturel, dans les circonstances, de soumettre ledit appel au Ministère.

On trouvera dans la lettre de M. Dreidger un exposé des raisons pour lesquelles le Ministère a refusé de faire office de conseiller juridique à l'égard du Bureau. Le Ministère doit exercer les fonctions de conseiller juridique de la Société Radio-Canada. S'il faisait également office de conseiller juridique du Bureau, il pourrait se trouver impliqué dans un conflit entre le Bureau et la Société.

Si c'est là l'attitude que doit prendre le ministère, le Bureau n'a plus de compétence à l'égard de la ligne de conduite exposée dans le document intitulé «Directives visant les émissions politiques et les émissions de controverse», étant donné qu'on y invoque le paragraphe (1) de l'article 17 de la loi, et il ne peut s'en remettre au ministère à l'égard des appels interjetés contre ses décisions.



Du moment que les règlements relèvent des pouvoirs du Bureau, celui-ci doit assumer la responsabilité de l'interprétation de ses propres règlements. Cependant, les appels interjetés contre l'interprétation de la loi par le Bureau sont d'un autre ordre. Si les partis politiques croient que les décisions du Bureau relativement à l'interprétation de la loi leur sont défavorables, il semble qu'il y aurait lieu d'obtenir une autre opinion sur l'interprétation. Les partis ont le droit d'en appeler des décisions du Bureau en matière d'interprétation de la loi, et si le Bureau manifeste un doute quelconque, ils doivent demander une opinion indépendante. Étant donné qu'on n'a pas réussi à obtenir une opinion du ministère de la Justice, il semblait approprié dans ce cas que le Bureau obtienne une opinion ailleurs. Le Bureau s'est adressé à M<sup>e</sup> Lawrence qui avait déjà été conseiller juridique du Bureau.

c) On a dit que le président avait rendu une décision infirmant l'opinion du conseiller du Bureau.

On doit convenir qu'il arrive souvent que les mesures prises par le Bureau sont fondées sur le sens de certains mots, et que le Bureau doit faire face constamment à de nouvelles situations et à de nouveaux cas qui doivent être réglés par l'application de la loi, des règlements et des principes. Les membres et le personnel du Bureau se consultent constamment à l'égard de ces cas. Il arrive souvent que les opinions sont divergentes et même quand une décision est prise on peut admettre qu'une autre opinion aurait pu être défendue.

Les raisons invoquées par M<sup>e</sup> Pearson à l'égard de la décision initiale sont données dans son mémoire du 12 octobre. («K»). Cependant, M. Pearson n'a jamais soutenu que c'était là la seule décision qui pouvait être atteinte raisonnablement. A de nombreuses reprises, le Bureau a accepté la décision de M<sup>e</sup> Pearson et a pris les mesures appropriées; mais à cette occasion M<sup>e</sup> Pearson a recommandé que l'appel soit renvoyé au ministère de la Justice et il n'a pas ménagé sa collaboration pour obtenir une autre opinion.

Quand on a cherché à obtenir une autre opinion on savait que cette opinion pourrait confirmer ou infirmer la décision initiale du Bureau. Après avoir obtenu une autre opinion, le Bureau n'avait pas à décider laquelle des deux était la meilleure. Il était évident que l'une ou l'autre opinion pouvait être défendue. Il fallait que le Bureau décide quelle ligne de conduite adopter: soit maintenir sa première attitude soit accepter l'autre interprétation.

D'après nous, le Bureau devrait être prêt, à l'occasion, à obtenir des opinions venant de l'extérieur au sujet des appels interjetés contre ses interprétations de la loi. Il ne faudrait pas qu'il fût obligé d'accepter cette opinion. D'autre part, il ne devrait s'abstenir de s'y conformer que s'il juge faibles les raisons la motivant, et que si l'attitude initiale qu'il a adoptée peut se défendre plus facilement.

La décision du Bureau d'agir selon l'opinion exprimée par M<sup>e</sup> Lawrence n'est pas une critique du jugement de M. Pearson. Le président et M. Allison pensaient simplement que M<sup>e</sup> Lawrence avait justifié l'opinion qu'il avait exprimée et que, après avoir demandé cette opinion, le Bureau devait agir en conséquence.

d) L'essentiel du problème repose sur l'interprétation des mots «sous une forme dramatique» qui apparaissent à l'article 17, paragraphe (1), alinéa a) de la Loi sur la radiodiffusion. L'essence de la décision rendue par le Bureau est qu'un film montrant un candidat vaquant à ses occupations ordinaires de candidat ne constitue pas une présentation sous une forme dramatique. Le Bureau croit que cette interprétation du libellé de la loi est tout à fait rationnelle. En outre, le Bureau opine qu'elle représente une ligne de conduite qui se révélera à l'avantage de la télévision et de la politique dans notre pays.



La télévision constitue un moyen de communication relativement nouveau. Elle possède des caractéristiques qui la différencient des autres moyens de communication. Sa nouveauté nous a empêchés jusqu'ici d'exploiter pleinement tous les avantages qu'elle offre de même que d'utiliser au maximum ses possibilités. Nous ne voyons pas très bien quel avantage il y aurait à empêcher les postes de télévision de présenter des émissions décrivant l'activité normale d'un candidat. Ce genre de restrictions inutiles nous semble avoir pour but simplement d'empêcher la télévision de servir l'intérêt public aussi pleinement qu'elle pourrait le faire.

«A et C»

CHEX-TV Canal 12

Peterborough (Ontario)

Le 30 SEPTEMBRE 1960.

M<sup>e</sup> W. C. Pearson  
Avocat, Bureau des gouverneurs de la radiodiffusion  
48, rue Rideau  
Ottawa (Ontario)  
Monsieur,

*Télémissions de caractère politique: Votre dossier numéro 252 CHEX-4*

J'annexe à la présente une copie de l'exposé d'un programme que se propose de présenter un de nos candidats dans la prochaine élection complémentaire au Parlement fédéral. Ce programme est-il acceptable aux termes de l'alinéa a) du paragraphe (1) de l'article 17, émissions sous forme dramatique?

Un autre problème se présente. Je vous prie de vous reporter à ma lettre du 14 septembre, au sujet de l'émission télévisée du programme «Les affaires provinciales» en date du 17 octobre, et à votre réponse du 20 septembre. La Société Radio-Canada m'informe que le programme du 17 octobre sera transmis sur le réseau régional et une fois encore se pose la question de la répartition inégale du temps libre, même si le programme est commandité par un député auprès de l'Assemblée législative.

Je m'en remets à vous de la question des «Affaires provinciales», mais je vous serais reconnaissant de me répondre immédiatement sur l'interprétation que vous donnez à la présentation du programme dont l'exposé est ci-joint.

Veuillez agréer, je vous prie, l'assurance de mes sentiments distingués.

(Signature) DON ALEXANDER.

«B»

## CHEX-TV

## Copie d'exposé de télémission

*Annonceur:* Association progressiste- conservatrice de Peterborough Date: 14 octobre Heure du programme: 6 h. 40 du soir

*Titre du programme:* Une minute d'entretien

## ÉMISSION VISUELLE

SL:

Camera: M. Labranche au pupitre

Un membre de l'association progressiste-conservatrice de Peterborough

Film: Séquence à l'intérieur des locaux du comité Progressiste-Conservateur

Émission sonore (microphone du plateau reposant sur le pupitre)

(Annonce de l'émission politique venant de la cabine)

Ici Pete Labranche, de l'Association progressiste-conservatrice de Peterborough. Dans un peu plus de deux semaines, vous donnerez votre vote à l'occasion de l'élection complémentaire dans la circonscription fédérale de Peterborough-Ouest.

Vous avez dès maintenant la preuve de l'intention et de la capacité qu'ont vos candidats progressistes-conservateurs de travailler avec le peuple et de l'aider. Vous voyez ici Harold Matthews en compagnie de citoyens de Peterborough qui travaillent pour lui à l'occasion des élections.

Dans les locaux du Comité progressiste conservateur, où cette présentation a été filmée au cours de la semaine, M. Matthews a montré à maintes reprises son aptitude à l'organisation et son désir de voir «les choses se réaliser».

Le temps que M. Matthews passe avec ses collaborateurs dans les locaux du Comité ne représente qu'une faible partie de ses occupations quotidiennes. En partant d'ici, il visite chaque jour la circonscription, démontrant de nouveau l'énergie qu'il peut dépenser au service d'autrui.

Diapositive: Portrait de M. Matthews

(Cabine) un homme capable, énergique et désirant travailler pour vous. Votez en faveur de Harold Matthews, candidat progressiste-conservateur dans la circonscription de Peterborough.

Rédigé par ..... Vérifié par ..... Annonceur .....

SL

(Cabine) annonce de la télémission de caractère politique.

«D»

COPIE

Le 5 octobre 1960.

Notre dossier: 252-CHEX-4

M. Don Alexander  
CHEX-TV  
Peterborough (Ont.)

Monsieur,

J'accuse réception de votre lettre du 30 septembre.

Veuillez noter que le Bureau est d'avis que le genre d'émission dont la description est annexée à votre lettre n'est pas acceptable. Le Bureau estime que ce projet d'émission est en contravention avec l'article 17(1)a) de la Loi sur la radiodiffusion.

Quant à votre deuxième question, au sujet de l'émission «Affaires provinciales», il semble que, en ce qui concerne la campagne électorale, il y a une différence quant au temps. L'émission «Affaires provinciales» n'est pas une émission qui s'insère dans l'horaire d'une période électorale; dans l'ensemble des émissions, elle ne vient pas en contravention avec une distribution équitable du temps. Pour cette raison il n'y aura pas de changement de date pour l'émission au 17 octobre. L'émission du 31 octobre doit être reportée à une autre date, à cause du règlement qui interdit toute émission de caractère politique le jour de l'élection et au cours de 48 heures qui précèdent.

Votre tout dévoué,

W. C. Pearson,  
avocat-conseil.

WCP:LW

«E»

LE PARTI PROGRESSISTE-CONSERVATEUR DU CANADA  
Bureau central national

Ottawa, le 6 octobre 1960.

Monsieur Carlyle Allison,  
Bureau des gouverneurs de la radiodiffusion,  
Ottawa (Ontario).

Monsieur,

Pour faire suite à notre conversation au téléphone, je désire vous informer qu'on m'a maintenant mis au courant des formalités que je dois remplir. Il me faut présenter au Bureau des gouverneurs de la radiodiffusion le schéma exact des émissions à caractère politique projetées par le parti progressiste-conservateur au sujet de l'élection complémentaire de Peterborough, puis demander une décision qui cadre avec les règlements. J'estime que les règlements en cause sont ceux qui s'intitulent:

«Bureau des gouverneurs de la radiodiffusion, Émissions politiques et émissions de controverse,  
Publié d'ordre par le Bureau des gouverneurs de la radiodiffusion  
(revision du 31 mars 1960)».



Je vous envoie donc ci-joints:

- I. Un schéma de l'émission projetée;
- II. Notre opinion au sujet de son admissibilité.

Vu que l'élection complémentaire est maintenant en cours et que nos projets relatifs à une émission télévisée sont assez avancés, je vous serais bien reconnaissant de me faire parvenir le plus tôt possible votre autorisation en principe.

Veuillez agréer, monsieur, l'expression de mes sentiments distingués.

Allister Grosart.

«F»

## I. SCHÉMA DE L'ÉMISSION

1. Le programme comprendra, bien entendu, l'identification habituelle du commanditaire.
2. Un annonceur ou commentateur, identifié par son nom comme un représentant du parti progressiste-conservateur, fera une déclaration préliminaire. Il dira que le candidat progressiste-conservateur, M. Harold Matthews, fait une grande campagne dans la circonscription. Il dira que, parce qu'on estime que la chose pourrait intéresser la population de la circonscription de Peterborough, on a retenu les services d'un caméraman pour suivre M. Matthews et enregistrer sur film les événements marquants de sa campagne. Le caméraman photographiera M. Matthews chez lui, dans son bureau, sur la rue, à la porte d'une fabrique, chez des cultivateurs, et ainsi de suite. Il le montrera accueillant les gens et leur parlant comme le fait normalement un candidat au cours de sa campagne.
3. Ces séquences filmées ne seront pas parlées. La bande sonore dans le cadre de l'émission se limitera à des explications ou descriptions de la part du commentateur identifié.
4. Le candidat pourrait conclure certaines émissions par la présentation audio-visuelle directe de ses vues, de ses salutations ou de sa demande d'appui.
5. Tout le programme doit avoir le même caractère d'actualité qu'une émission de nouvelles sur le candidat au travail. Il n'y aura aucune mise en scène. Aucun acteur ou exécutant ne sera embauché. En plusieurs occasions, M. Matthews ne saura pas si on le photographie ou non; cependant, il y aura, naturellement, liaison étroite entre lui et le caméraman.
6. Finalement, aucun élément autre que les précédents ne sera introduit dans l'une quelconque de ces émissions.

## II. ADMISSIBILITÉ EN VERTU DES RÈGLEMENTS RELATIFS AUX ÉMISSIONS DE CARACTÈRE POLITIQUE

1. «Le parti commanditaire pourra préparer un film pour émission subséquente à un poste de télévision», conformément aux règlements (paragraphe 7, page 2), «pourvu que le film soit, dans son ensemble, la reproduction d'une émission en direct qui serait en tout conforme aux présentes directives». On suppose que l'émission en direct ainsi reproduite pour être télévisée serait admissible. A l'appui de cette assertion, je vous rappelle que les règlements actuels comprennent les modifications apportées sous le régime de la Société Radio-Canada et acceptées à une réunion de tous les partis au début de 1958 (4 février) lorsqu'on

a discuté des règlements relatifs à la diffusion des émissions politiques par la Société Radio-Canada et par les stations privées. A cette occasion, les partis politiques ont demandé si les retransmissions en direct des réunions publiques seraient admissibles. La réponse a été affirmative et on a mentionné le fait que, au cours de la campagne électorale de 1957, le parti conservateur s'est servi d'une reproduction filmée dans laquelle le premier ministre est représentée dans les salles du Comité du parti progressiste-conservateur. Cette décision se fondait sur une annexe jointe au procès-verbal confidentiel de la réunion du 15 avril 1957. Cette annexe était intitulée «Principes relatifs aux représentations (texte qui remplace les textes précédents)» et elle autorisait pour la première fois la «préparation d'un film pour émission subséquente». Cette disposition qui permet la retransmission est celle qui a été incorporée dans les règlements du Bureau des gouverneurs de la radiodiffusion et dont il est fait mention au paragraphe (7) de la page 2.

2. En supposant, comme on le fait au paragraphe 1, que les aspects techniques soient admissibles, la seule autre interprétation qu'on peut demander, c'est celle qui a trait à la question qui fait l'objet du deuxième alinéa de la page 2. Cet alinéa décrète que «la Loi sur la radiodiffusion défend de radiodiffuser sous forme dramatique des émissions de caractère politique et cette disposition défend aussi toutes les émissions de caractère politique qui comporteraient un aspect théâtral».

Nous désirons faire remarquer respectueusement que le genre d'émission proposé est, à tous égards, tout à fait l'opposé des émissions dramatiques et théâtrales du point de vue des émissions télévisées. Ce genre d'émission ne comporte aucun artiste rémunéré, aucun aspect théâtral, aucun décor, aucune répétition, aucune direction donnée aux participants ou aux caméramen et même, à l'exception des observations du commentateur, aucun texte préparé. Il est dépourvu de tous les éléments normalement associés aux adjectifs «dramatique» et «théâtral» et à ce que ces adjectifs signifient. Ce genre d'émission devrait être considéré comme une émission d'information, en ce sens qu'elle enregistre l'actualité au cours d'une campagne électorale.

On pourrait soutenir, nous le croyons nous-mêmes, qu'une émission de ce genre a une puissante portée dramatique. Il est difficile de croire que l'emploi du mot «dramatique» était destiné à interdire ce genre d'émission, car l'effet dramatique est évidemment le but de tout usage efficace de la télévision. Un bon discours télévisé ou l'emploi de photographies, de coupures de films, de diapositives, de graphiques et autres procédés visuels, choses qui sont toutes spécifiquement autorisées, peuvent aussi avoir une portée dramatique sans être pour cela interdits.

3. La présente proposition s'applique au même genre d'émission qui a été employé par le parti progressiste-conservateur en 1959 dans les mêmes circonstances, alors que ce parti avait loué du temps de certaines stations privées au cours d'une campagne électorale. Nous soutenons donc qu'il y a un précédent qui milite en faveur de l'approbation de la présente proposition.

#### RÉSUMÉ

Nous alléguons que le genre d'émission à l'étude est conforme aux règlements et qu'il a déjà été employé sans soulever, à notre connaissance, la moindre objection.

Y.L.

«G»

Copie

*(Texte)*

48, rue Rideau,  
Ottawa 2, Ontario,  
le 7 octobre 1960.

Monsieur le sous-ministre,

Nous avons reçu aujourd'hui une demande du Parti progressiste-conservateur du Canada au sujet d'une forme de programmation qu'il se propose d'utiliser lors de l'élection complémentaire de Peterborough qui doit avoir lieu le 31 octobre. L'alinéa *a*) du paragraphe (1) de l'article 17 de la Loi sur la radiodiffusion interdit aux stations de radiodiffuser sous une forme dramatique quelque programme, annonce ou avis d'un caractère politique reposant sur l'attachement à un parti.

*(Traduction)*

Conformément à cet article qui, à ce que je crois savoir, figurait dans l'ancienne Loi canadienne sur la radiodiffusion, la société Radio-Canada, l'organisme qui édictait alors les règlements, a cherché à obtenir et a obtenu du ministère de la Justice que celui-ci rende une décision quant à l'interprétation dudit article. Cette interprétation est donnée au premier paragraphe de la page 1 du Livre blanc du Bureau des gouverneurs de la radiodiffusion qui traite des émissions politiques et de controverse. Je saurais gré à votre ministère de décider si oui ou non la proposition du Parti progressiste-conservateur tombe sous l'interdiction renfermée à l'alinéa *a*) du paragraphe (1) de l'article 17 de la Loi sur la radiodiffusion. Je puis ajouter que le Bureau a déjà averti le titulaire de licence de Peterborough qu'une émission semblable va à l'encontre du Règlement.

Pour votre gouverne, je vous envoie un exemplaire du document reçu du Parti progressiste-conservateur, ainsi que les directives et les règlements du Bureau des gouverneurs de la radiodiffusion touchant les émissions politiques et les émissions de controverse.

Comme cette question est urgente, le Bureau vous saurait gré de rendre une décision à ce sujet aussitôt que possible.

Je vous prie, monsieur le sous-ministre, d'agréer l'expression de mes sentiments distingués.

Le président,  
(signature) Andrew Stewart.

Par messenger  
WCP/LW



## BUREAU DES GOUVERNEURS DE LA RADIODIFFUSION

DIRECTIVES VISANT LES ÉMISSIONS POLITIQUES  
ET LES ÉMISSIONS DE CONTROVERSE

Publié d'ordre du Bureau des gouverneurs de la radiodiffusion  
(Revision du 1<sup>er</sup> mars 1960)

## DIRECTIVES

*Émissions politiques*

Il est indispensable au bon fonctionnement du gouvènement représentatif et démocratique que le public soit pleinement renseigné sur les questions en jeu à chaque élection ainsi que sur l'attitude et le programme des divers partis à l'égard de ces questions. La radiodiffusion constitue aujourd'hui l'un des moyens les plus puissants qui peuvent servir à cette fin.

La Loi canadienne sur la radiodiffusion confère au Bureau des gouverneurs le pouvoir de contrôler et de réglementer toutes les émissions radiophoniques, y compris les émissions de caractère politique. L'article 11 (d) de la loi stipule que le Bureau peut édicter des règlements «pour prescrire la proportion du temps qui peut être consacré aux émissions d'un caractère politique et pour répartir ce temps entre tous les partis et candidats rivaux d'après une base équitable».

En vertu du paragraphe (1) de l'article 29 de la Loi sur la radiodiffusion, la Société Radio-Canada s'est vu confier la tâche d'exploiter un service national de radiodiffusion et, d'accord avec sa ligne de conduite qui est d'encourager l'exposé loyal et juste des questions controversées d'intérêt public, la Société a établi un plan général relatif aux émissions des partis politiques. Ce plan assure aux partis reconnus des périodes de temps gratuites sur les réseaux, en périodes d'élections fédérales et provinciales, et leur fournit ainsi, quels que soient leurs moyens financiers, l'occasion de s'adresser à un vaste auditoire. En outre, les chefs de partis reconnus, ou leurs représentants, disposent également d'un temps limité entre les périodes d'élections.

En plus du temps gratuit accordé sur les réseaux, certaines dispositions permettent d'acheter des périodes de temps aux postes privés, d'après un régime qui assure le partage équitable des périodes ainsi achetées et protège le public contre un trop grand nombre d'émissions politiques au détriment des émissions normales, récréatives ou autres.

Il est important de noter certaines dispositions de la loi relatives aux émissions politiques. Voici le texte de l'article 17 de la Loi sur la radiodiffusion:

«17. (1) Aucun titulaire de licence ne doit

- a) radiodiffuser sous une forme dramatique quelque programme, annonce ou avis d'un caractère politique reposant sur l'attachement à un parti, ni
- b) radiodiffuser un programme, une annonce ou un avis d'un caractère politique reposant sur l'attachement à un parti, le jour de la tenue d'une élection de député à la Chambre des Communes, de membre de la Législature d'une province ou du conseil d'une municipalité, ou les deux jours qui précèdent immédiatement un tel jour.

(2) Un titulaire de licence doit, immédiatement avant et immédiatement après la radiodiffusion de quelque programme, annonce ou avis d'un caractère

politique reposant sur l'attachement à un parti, identifier le commanditaire et le parti politique, s'il en est, pour le compte duquel le programme, l'annonce ou l'avis est ou a été radiodiffusé.»

L'article 6 du Règlement concernant les stations de radiodiffusion ainsi que l'article 7 (1) du Règlement relatif à la télévision prévoient l'importante disposition qui suit: «Chaque station doit répartir aussi équitablement que possible entre les différents partis et les candidats rivaux le temps consacré à la diffusion de programmes, de réclames ou de déclarations d'un caractère politique.»

L'alinéa (a) du paragraphe (1) de l'article 17 de la Loi sur la radiodiffusion défend de radiodiffuser sous forme dramatique des émissions de caractère politique et cette disposition défend aussi toutes les émissions de caractère politique qui comporteraient un aspect théâtral.

Conformément aux conseils juridiques qui nous ont été donnés au sujet de l'interprétation qu'il faut accorder à cet article de la Loi sur la radiodiffusion, la ligne de conduite suivante a été adoptée:

(1) La présentation de plusieurs orateurs, de discussions et de questionnaires est acceptée pourvu que le parti commanditaire se rende responsable des paroles et des actes des personnes qui participent à ces émissions et pourvu qu'il n'y ait pas supposition de personne. Les postes émetteurs doivent prendre les dispositions voulues pour enregistrer ces émissions (audio) afin de les garder dans leurs archives lorsque aucun texte écrit ne leur a été fourni.

(2) Pour illustrer un exposé verbal, l'emploi de matériel visuel fixe mais non photographique est permis, comme les cartes, les graphiques, les diagrammes manuscrits ou imprimés et les cartes géographiques, pourvu que le parti commanditaire fournisse tout ce matériel et qu'il se rende responsable de la nature du matériel et de l'usage qui en est fait.

(3) Sous réserve des dispositions des paragraphes (4), (5), (6), (7) et (8), il n'est pas permis de faire usage de courts métrages, de diapositives, de bandes sonores, de dessins animés, de caricatures et de photographies fixes.

(4) On pourra se servir de photographies fixes pourvu que chaque photographie ne représente qu'une seule personne et que cette personne soit identifiée et qu'elle soit membre du parti commanditaire de l'émission.

(5) Les courts métrages qui ne serviront qu'à transmettre les messages des représentants du parti et qui auront été préparés pour l'usage exclusif des émissions politiques de ce parti pourront être incorporés aux émissions en direct des postes privés pourvu que le film ainsi obtenu soit conforme à toutes les autres exigences des présentes directives.

(6) L'emploi des diapositives ne sera permis que pour des raisons d'ordre technique. (Par exemple, pour donner le nom du candidat ou les symboles du parti ou pour illustrer graphiquement l'exposé verbal.)

(7) Sous réserve des alinéas 1 à 6 qui précèdent, le parti commanditaire pourra préparer un film pour émission subséquente à un poste de télévision, pourvu que le film soit, dans son ensemble, la reproduction d'un programme en direct qui serait en tout conforme aux présentes directives.

(8) Les graphiques et autres illustrations du genre ne seront pas considérés comme des dessins animés pourvu qu'une pause d'une seconde (24 images) sépare chacun des traits ajoutés ou soustraits au graphique. Un nouveau trait devra demeurer fixe, par rapport à la caméra, une fois qu'il aura été placé sur le graphique.

L'interdiction de radiodiffuser des émissions de caractère politique le jour même d'une élection ou les deux jours qui précèdent immédiatement cette élection, n'est jugée applicable que pour l'élection immédiatement en cause.



Ainsi, par exemple, si, dans le cas d'une élection générale provinciale, le vote est pris le 10 du mois et que, dans une élection complémentaire fédérale, le vote est pris le 15, les émissions de caractère politique en faveur des candidats à l'élection fédérale peuvent être diffusées le 8, le 9 ou le 10; mais, dans ce cas, la direction du poste qui diffuse ces émissions doit s'assurer que les candidats ne font aucunement allusion aux questions purement provinciales ou aux personnes qui s'intéressent de près à l'élection provinciale.

Durant les trois jours d'interdiction et jusqu'à la fermeture des bureaux de scrutin, aucun programme, aucune annonce et aucun avis d'un parti politique ne pourront être diffusés. Cette prohibition ne vise pas les référendums et les plébiscites, sauf lorsque le référendum ou le plébiscite tombe sous le coup de la Loi canadienne sur la tempérance.

Conformément à l'alinéa b) du paragraphe (4) de l'article 13 de la Loi sur la radiodiffusion, tous les réseaux auxiliaires en vue de la diffusion d'émissions de caractère politique doivent être organisés par l'entremise du Bureau. Toutes les demandes d'émissions doivent être enregistrées au Bureau des gouverneurs de la radiodiffusion, 48, rue Rideau, Ottawa 2 (Ont.) avant la présentation des émissions.

### *Sujets de controverse*

Le Bureau n'exerce aucune censure. Il n'intervient pas quant à la substance de l'émission, mais il s'assure simplement qu'elle est conforme aux dispositions de ses règlements officiels.

Voici les principes sur lesquels se fonde la ligne de conduite de Radio-Canada à l'égard des sujets de controverse:

1. Les ondes appartiennent au public qui a droit d'entendre les principales opinions sur toutes les questions d'importance.
2. Les ondes ne doivent pas être accaparées par des personnes ou des groupes influents en raison de leur fortune ou leur situation avantageuse.
3. Le droit de réplique est inhérent à la doctrine démocratique de la liberté de parole.
4. La liberté de parole et la liberté de discussion comptent parmi les principales sauvegardes des institutions libres.

Le Bureau estime qu'on ne sert pas ces principes en vendant le temps des réseaux à des personnes ou à des entreprises commerciales pour la diffusion d'opinions ou pour des fins de propagande, mais plutôt en accordant du temps gratuit à des orateurs compétents, afin de leur permettre de présenter, en toute liberté, divers points de vue sur les questions d'actualité. Le meilleur moyen de sauvegarder la liberté de discussion, c'est de permettre à chacun d'exposer son point de vue.

## PARTIE I

### ÉMISSIONS POLITIQUES

#### GÉNÉRALITÉS

C'est par suite d'une entente entre la Société Radio-Canada et les représentants des partis politiques intéressés que passeront sur le réseau de Radio-Canada les émissions gratuites. A défaut d'une telle entente à l'égard des émissions gratuites, le Bureau, après avoir été saisi de la question soit par la Société soit par les représentants du parti en cause, répartira le temps disponible de façon aussi juste et équitable qu'il le jugera nécessaire.



## SECTION A:

## PENDANT LES CAMPAGNES D'ÉLECTIONS GÉNÉRALES

1. *Élections fédérales*

## a) Début de la campagne:

Aux fins de la radiodiffusion des émissions politiques, la campagne commence le jour de la dissolution du Parlement ou le jour fixé par le Bureau, si la date du scrutin est annoncée avant la dissolution, mais pas après le jour de la dissolution.

## b) Chaînes auxiliaires au sein d'une province:

Les postes privés désireux de se former en chaînes auxiliaires à l'intérieur d'une province pour offrir leurs services pourront vendre des périodes de temps. Les chaînes seront organisées par le Bureau des gouverneurs. Aucune émission de chaîne auxiliaire ne sera autorisée durant une émission de réseau national. Si un poste décide de faire partie d'un réseau auxiliaire, il n'est pas pour cela exempté d'accorder à la Société Radio-Canada le temps que celle-ci a réservé pour la diffusion de ses émissions de soutien ou de ses émissions commerciales de réseau.

La formation de ces chaînes auxiliaires vise à permettre aux partis nationaux de répondre aux besoins régionaux des campagnes électorales. Elle veut aussi fournir aux partis qui ne sont pas d'envergure nationale et qui, de ce fait, ne pourraient bénéficier de temps gratuit sur un réseau national, l'occasion de faire entendre des émissions de réseau dans une région restreinte. Les chaînes se limiteront exclusivement aux postes situés à l'intérieur de la province en question; cependant, lorsque les conditions géographiques l'exigeront, il sera permis, afin de bien servir toute une province, d'ajouter à la chaîne un poste d'une province voisine.

## c) Postes individuels:

Les postes privés individuels pourront librement vendre des périodes de temps aux candidats et aux partis politiques pour des émissions locales seulement, sous réserve des stipulations de la Loi sur la radiodiffusion et des règlements qui en découlent.

Aucun poste individuel ne pourra radiodiffuser une émission politique locale au moment même d'une émission politique nationale.

## d) Temps réservé:

Aucun poste ne sera dégagé, pour fins d'émissions politiques, du temps réservé par Radio-Canada pour ses émissions de réseau, non commanditées ou commerciales.

2. *Élections générales des législatures provinciales*

## a) Début de la campagne:

Aux fins de la radiodiffusion des émissions politiques, la campagne commence le jour de la dissolution de la législature ou, si la date du scrutin est annoncée avant la dissolution, le jour fixé par le Bureau, mais pas après le jour de la dissolution.

## b) Chaînes auxiliaires de postes privés:

Les partis en lice pourront acheter des périodes de temps à des chaînes auxiliaires de postes privés dans la province en question. Les chaînes seront organisées par le Bureau. Aucune émission de chaîne auxiliaire ne sera autorisée durant une période où doit être diffusée une émission politique provinciale gratuite. Si un poste décide de faire partie d'un réseau auxiliaire, il n'est pas pour cela exempté d'accorder à la Société Radio-Canada le temps que celle-ci a réservé pour la diffusion de ses émissions de soutien ou de ses émissions commerciales de réseau.

## c) Postes individuels:

Les postes privés individuels pourront librement vendre des périodes de temps aux candidats et aux partis politiques pour des émissions locales seulement, sous réserve des stipulations de la Loi sur la radiodiffusion et des règlements qui en découlent.

Aucun poste individuel ne pourra radiodiffuser une émission politique locale au moment même d'une émission politique provinciale gratuite.

## SECTION B:

PÉRIODES ENTRE LES CAMPAGNES D'ÉLECTIONS GÉNÉRALES  
(fédérales ou provinciales)

a) Les postes privés pourront vendre des périodes de temps pour des émissions politiques entre les campagnes électorales.

b) Le Bureau peut accorder à plusieurs postes la permission de diffuser la même émission si l'organisation de ce réseau temporaire est nécessaire en vue de desservir toute l'étendue d'une circonscription.

## ÉLECTIONS MUNICIPALES

Seuls les postes privés pourront vendre des périodes de temps pour des émissions se rattachant aux campagnes électorales municipales.

## RÉSUMÉ

SERVICES RADIOPHONIQUES DISPONIBLES  
AUX FINS D'ÉMISSIONS POLITIQUES

## GÉNÉRALITÉS

Dispositions à l'égard des émissions gratuites transmises par le réseau de Radio-Canada.

## (A) Pendant la période d'une campagne électorale

*Campagnes électorales fédérales:*

- 1) Des chaînes auxiliaires de postes privés peuvent louer des périodes de temps aux partis en lice dans les limites d'une province.
- 2) Les postes privés individuels peuvent vendre des périodes de temps aux partis ou aux candidats en lice.

*Campagnes électorales provinciales:*

- 1) Des chaînes auxiliaires de postes privés peuvent louer des périodes de temps aux partis en lice dans les limites d'une province.
- 2) Les postes privés individuels peuvent vendre des périodes de temps aux partis ou candidats en lice.

*Élections municipales:*

Les postes privés pourront vendre des périodes de temps pour des émissions se rattachant aux campagnes électorales municipales.

## (B) Entre les campagnes électorales

Les postes privés individuels peuvent vendre des périodes de temps entre deux campagnes électorales, sous réserve des dispositions de la Loi et des Règlements.

## PARTIE II

## SUJETS DE CONTROVERSE

## RÈGLEMENTS RELATIFS À L'ACHAT DE PÉRIODES DE TEMPS

1. Aucun réseau ne peut vendre de périodes à des particuliers ou à des organismes commerciaux pour la radiodiffusion d'opinions.
2. Les organismes non commerciaux et les sociétés qui s'intéressent à la chose publique peuvent acheter des périodes de temps de chaînes auxiliaires ou de postes privés individuels. Ces chaînes doivent être organisées par Radio-Canada.
3. A cette fin, un organisme ou société non commerciale est celui:
  - a) qui est établi pour des fins autres que commerciales ou semi-commerciales et qui s'occupe de questions sociales, éducatives, économiques, philanthropiques ou autres du même genre, et qui est d'intérêt général; et
  - b) qui existait depuis au moins un an avant de formuler sa demande de participation à un réseau auxiliaire.
4. Les sociétés ou organismes qui désirent acheter des périodes de temps des réseaux doivent assumer la responsabilité de leurs émissions.
5. Chaque émission devra être précédée et suivie d'une annonce appropriée indiquant clairement la nature et la substance de l'émission et assurant le même service aux opinions contraires.
6. Les périodes de temps achetées pour des émissions de controverse doivent être limitées de façon à ne pas gêner indûment les émissions normales.
7. L'émission doit intéresser suffisamment le public pour justifier sa diffusion.
8. En période électorale, les sociétés et les organismes jouiront des mêmes droits d'achat que les partis politiques.

## GÉNÉRALITÉS

*Liberté de parole:*

Soucieuse de s'opposer à toute tentative d'enrégimentation ou de restriction de la liberté de parole, le Bureau n'émet pas de directives spécifiques à l'égard des émissions de controverse. Il est d'ailleurs d'avis que les ondes doivent servir pleinement à:

- a) la franche discussion de tous les sujets de controverse;
- b) la présentation égale et loyale de tous les principaux points de vue; et
- c) l'exposition des questions du jour et des problèmes d'actualité par des gens bien renseignés et faisant autorité.

La radiodiffusion est un art qui évolue et se développe, et aucun critère fixe ou durable ne peut être établi qui permette de déterminer la meilleure méthode de présenter les sujets de controverse.

La ligne de conduite de Radio-Canada vise à garder ce moyen d'information qu'est la radio à la disposition de la nation, sans distinction de parti, de groupe, de classe ou de croyance.



## MINISTÈRE DE LA JUSTICE

Ottawa 4, 11 octobre 1960.

Monsieur le président,

Je dois me référer à votre lettre du 7 octobre, dans laquelle vous me demandez de donner une décision au sujet de l'interprétation de l'article 17 de la Loi sur la radiodiffusion relativement à une proposition qui vous a été faite par un parti politique.

Je suis d'avis qu'il ne m'appartient pas de donner des conseils d'ordre juridique au Bureau des gouverneurs de la radiodiffusion. Vous vous souviendrez peut être que j'ai dit, à l'occasion de votre réunion d'organisation, que je ne considère pas le Bureau des gouverneurs de la radiodiffusion comme un organisme auquel le ministre ou le sous-ministre de la justice doit donner des conseils d'ordre juridique en vertu des dispositions de la Loi sur le ministère de la Justice, et que, dans tous les cas, le fait de donner de tels conseils peut engager le ministère de la Justice dans un conflit de devoirs, étant donné que la Société Radio-Canada est, d'après la loi, un agent de la Couronne.

Votre tout dévoué,

Sous-procureur général du Canada.

M. Andrew Etewart,

Président,

Bureau des gouverneurs de la radiodiffusion,

48, rue Rideau,

Ottawa, 2, Ontario.

12 octobre 1960.

Livré par Messenger

Me A. B. R. Lawrence, C.R.,  
Honeywell, Baker, Gibson, Wotherspoon,  
Lawrence & Diplock,  
224, ouest, avenue Laurier,  
Ottawa 4 (Ontario).

Monsieur,

Pour faire suite à notre conversation téléphonique, j'ai l'honneur de vous faire parvenir les documents suivants:

1. un exemplaire de la requête présentée par le parti progressiste-conservateur du Canada;
2. un exemplaire des Directives du Bureau des gouverneurs de la Radiodiffusion au sujet des émissions politiques et des émissions de controverse;
3. un exemplaire de la Loi sur la radiodiffusion.

Comme je vous l'ai dit au cours de notre conversation téléphonique, le Bureau désire obtenir l'avis d'un conseiller juridique sur le point suivant: Est-ce que le genre d'émission proposé par le parti progressiste-conservateur constitue une émission présentée sous une forme dramatique au sens où l'entend l'article 17(1) a) de la Loi sur la radiodiffusion? Cet article figurait dans la Loi canadienne sur la radio, qui a précédé la loi actuelle, et une interprétation de la loi a été donnée par la Société Radio-Canada, qui était alors l'organisme en charge de la radiodiffusion. On trouvera cette interprétation à la page 2 des Directives visant les émissions politiques et les émissions de controverse; elle commence au troisième alinéa de cette page.

Comme je vous l'ai fait remarquer, nous avons instamment besoin d'un avis d'avocat, et nous vous saurions gré si vous vouliez bien nous faire parvenir votre avis dans le plus bref délai possible. Si vous voulez bien nous adresser votre compte, on me dit qu'on obtiendra l'autorisation requise pour l'acquitter.

Votre tout dévoué,  
W. C. Pearson,  
avocat-conseil.

# MÉ MORANDUM

Le 12 octobre 1960.

L'article 17 (1) a) de la Loi est rédigé comme il suit: «Aucun titulaire de licence ne doit radiodiffuser sous une forme dramatique quelque programme, annonce ou avis d'un caractère politique reposant sur l'attachement à un parti.»

En supposant d'abord que toute émission présentée par un parti politique en faveur d'un candidat aux élections est d'un caractère politique reposant sur l'attachement à un parti, la question qui se pose est de décider si le programme, l'annonce, etc., sont présentés sous une forme dramatique.

«Dramatiser» signifie d'après le *Concise Oxford Dictionary*, «tirer une scène dramatique (d'un ouvrage), adapter pour le théâtre (un ouvrage) qui se prête à une telle adaptation».

«Dramatique» est défini comme il suit: «ayant rapport au théâtre ou au drame» et la définition de «drame» est: «pièce de théâtre: art dramatique, composition et présentation de pièces; suites d'événements ayant l'unité et le déroulement d'une pièce de théâtre et dont le dénouement est une catastrophe ou une fin logique».

Il me semble qu'une série de photos d'un candidat présenté à la télévision comme étant assidu au travail, industriel, etc. cadre dans ces définitions.

L'article 3, page 2, du Livre blanc du Bureau des gouverneurs sur les émissions de caractère politique se lit comme il suit:

«Sous réserve des dispositions des paragraphes (4), (5), (6), (7) et (8), il n'est pas permis de faire usage de courts métrages, de diapositives, de bandes sonores, de dessins animés, de caricatures et de photographies fixes.»

L'article 5 permet l'usage de courts métrages qui ne servent qu'à transmettre les messages des représentants du parti et l'article 7 décrète que «le parti pourra préparer un film pour émission subséquente à un poste de télévision, pourvu que le film soit, dans son ensemble, la reproduction d'un programme en direct qui serait en tout conforme aux présentes directives». Les directives du Livre blanc interdisent toute émission politique à laquelle serait incorporé un élément pouvant être considéré comme théâtral.

«Théâtral» est défini comme il suit dans le *Concise Oxford Dictionary*: «spectaculaire, affecté, visant à produire un effet; appartenant ou ayant trait au théâtre, aux acteurs ou au jeu des acteurs».

Ici encore, il me semble que la formule proposée vise à mettre en lumière certaines qualités du candidat par des moyens théâtraux plutôt que par le concours d'un partisan qui ne fait que mentionner tout bonnement ces qualités.

Pour l'une ou l'autre des raisons précitées, je suis d'avis que la formule proposée est en contravention avec l'article 17 a).

W. C. Pearson,  
avocat-conseil.

HONEYWELL, BAKER, GIBSON, WOTHERSPOON,  
LAWRENCE & DIPLOCK

AVOCATS

Ottawa, le 13 octobre 1960.

Monsieur W. C. Pearson, avocat,  
Bureau des gouverneurs de la radiodiffusion  
48, rue Rideau  
Ottawa (Ont.)

Monsieur,

La présente lettre est destinée à répondre à la vôtre datée d'aujourd'hui et dans laquelle vous me demandez si je suis d'avis qu'une émission conçue dans le sens indiqué dans la lettre de M. Grosart, en date du 6 octobre, viendrait à l'encontre des dispositions de l'article 17 (1) a) de la Loi canadienne sur la radiodiffusion.

A mon avis, si une émission est strictement conforme à la description que donne M. Grosart, s'il est conforme au but, à l'intention et l'esprit dont il est question dans ses remarques, elle n'enfreindrait pas les restrictions établies par l'article pertinent de la loi.

Les mots qui demandent une interprétation sont les mots «forme dramatisée». Je pense que ces mots sont un peu plus limités dans leur application que ne le serait le mot «dramatique» employé seul. Autrement dit, je considère que les mots en question décrivent le mode de présentation plutôt que l'effet produit sur le spectateur. Bien des choses peuvent avoir sur le spectateur un effet dramatique sans pour cela avoir une forme dramatique. A mon avis, la loi en question vise essentiellement à la réglementation de la méthode, de la technique, de la structure et de la forme de la présentation, et ne prétend pas apprécier l'effet incertain et intangible produit sur le spectateur, effet que le mot «dramatique» pris dans son sens le plus large pourrait renfermer.

Je parlais tout à l'heure de l'esprit du genre d'émission décrit par M. Grosart. J'ai dit cela parce que je pense qu'il est possible qu'une émission composée essentiellement de films représentant des événements réels puisse aller à l'encontre de la restriction établie par la loi. En disant cela je songe au genre de présentation que l'on trouve dans les émissions du temps de guerre intitulées «Le Canada va de l'avant» et peut-être aussi à quelques-uns des films actuels des Studios Disney.

J'exprime cette opinion avec une certaine hésitation, bien qu'il y ait beaucoup de causes dans lesquelles l'interprétation du mot «dramatique» ait été donnée, spécialement dans le domaine des droits d'auteur, je ne crois pas qu'il y en ait eu qui ressemblent au cas qui fait l'objet de la présente consultation. En conséquence, j'ai interprété les mots «forme dramatisée» en me fondant sur l'usage ordinaire de la langue anglaise, car je suis d'avis qu'un tribunal se verrait dans l'obligation d'agir de la même façon.

C'est pour cette raison que la présente opinion est exprimée de façon brève. En la prolongeant, on en ferait une véritable leçon de sémantique.

Votre tout dévoué,

A. R. R. Lawrence.

L/m



48, rue Rideau,  
Ottawa (Ont.),  
le 14 octobre 1960.

Par Porteur

Monsieur Grosart,

Depuis que j'ai reçu votre lettre du 6 octobre, avec les propositions relatives au schéma visant un programme d'émissions politiques à Peterborough, le Bureau a demandé et obtenu un avis juridique au sujet de la question de savoir si le schéma proposé est acceptable aux termes de la Loi sur la radiodiffusion et des principes énoncés dans le document intitulé *Directives visant les émissions politiques et les émissions de controverse*.

Le point capital est la question de savoir quelle interprétation donner à l'expression «forme dramatique» qu'on trouve à l'alinéa a) du premier paragraphe de l'article 17 de la Loi sur la radiodiffusion.

D'après l'opinion que nous avons reçue, une émission qui s'en tient à ce qui est décrit et est conforme au but, à l'intention et à l'esprit qui sont énoncés ne passerait pas outre à la restriction établie dans la loi.

Le Bureau veut bien accepter cette opinion et s'efforcer de l'appliquer uniformément dans tous les cas qui lui seront soumis.

Nous croyons que l'essence de cette décision est que tout film exposant l'activité normale d'un candidat, lors d'élections, sera jugé d'après le sens et le but de l'alinéa a) du premier paragraphe de l'article 17. Cependant, le Bureau devra éliminer toutes les situations qui paraîtront imaginées ou conçues en fonction de l'émission et dérogeront aux pratiques auxquelles les candidats se livrent normalement.

Je vous transmets donc l'approbation du Bureau relativement au «Schéma de l'émission» qui accompagnait votre lettre du 6 octobre.

Je vous prie d'agréer, monsieur, l'assurance de mes sentiments les meilleurs.

*Le président,*

Andrew Stewart.

M. Allister Grosart,  
Directeur national du parti  
conservateur-progressiste du Canada,  
141, avenue Laurier ouest,  
Ottawa (Ont.).

BOARD OF BROADCAST GOVERNORS  
BUREAU DES GOUVERNEURS DE LA RADIODIFFUSION

*A tous les postes de radio et de télévision*  
*Circulaire n° 20—27 octobre 1960*

L'article 17(1) de la Loi sur la radiodiffusion se lit comme il suit:  
«Aucun titulaire de licence ne doit

- a) radiodiffuser sous une forme dramatique quelque programme, annonce ou avis d'un caractère politique reposant sur l'attachement à un parti.»

Le «Livre blanc» publié par le Bureau au sujet de la diffusion d'émissions d'une caractère politique et annexé à la circulaire n° 14 permet, à cette fin, l'usage de films.

Le Bureau a eu l'occasion dernièrement de donner des précisions sur la forme que doivent prendre ces films et voici l'opinion qu'il a exprimée à ce sujet:

«Les films illustrant l'activité normale d'une personne qui est candidate au cours d'une élection ne sont pas considérés comme des présentations de faits «sous une forme dramatique» et, par conséquent, ils sont acceptables aux termes de l'article 17(1) de la Loi.»

Cependant, le Bureau déclare inacceptables toutes les situations qui semblent avoir été imaginées ou conçues spécialement pour les fins de l'émission et qui s'écartent des pratiques ordinaires d'un candidat.

*Le président,*  
Andrew Stewart.

«O»

OTTAWA, 26 octobre 1960.

### Communiqué de presse

On rapporte que M. C. Donald Munro, candidat libéral à l'élection complémentaire de Peterborough, a accusé le Bureau des gouverneurs de la radiodiffusion d'avoir cédé à certaines influences en approuvant une émission commanditée par le parti progressiste-conservateur. M. Munro aurait demandé la démission du président du Bureau des gouverneurs de la radiodiffusion.

Plus tôt, en faisant allusion à ces rumeurs, le président a déclaré que M. Munro ne possédait pas tous les renseignements pertinents au sujet de cette affaire. Le fait essentiel qu'ignorait apparemment M. Munro, c'est que le Bureau avait demandé et obtenu un conseil de nature indépendante et qu'il avait agi sur la foi de ce conseil.

Ce cas de Peterborough soulève pour le Bureau un problème d'interprétation de la Loi sur la radiodiffusion. L'article 17, alinéa (1) de la Loi déclare: «Aucun titulaire de licence ne doit a) radiodiffuser sous une forme dramatique quelque programme, annonce ou avis d'un caractère politique reposant sur l'attachement à un parti». La discussion portait sur le sens des mots «sous une forme dramatique».

Le Bureau a été saisi d'un projet d'émission dans les cadres duquel on pouvait voir sur film un candidat vaquant à ses occupations habituelles de candidat, c'est-à-dire visitant des maisons privées et des bureaux, causant avec les gens dans la rue, cajolant les enfants, etc. Il s'agissait de savoir si ce film pouvait être considéré comme une présentation «sous une forme dramatique».

Le Bureau sait très bien qu'il est lié par la Loi sur la radiodiffusion et que ses actes et ses décisions doivent être conformes au sens et à l'esprit de la Loi. Les membres et le personnel du Bureau ne s'entendaient pas sur la façon d'interpréter les termes de la Loi par rapport au cas en question. On a donc décidé de demander une opinion venant de l'extérieur.

Le Bureau a donc demandé l'opinion du ministère de la Justice, mais le sous-ministre a répondu que, d'après lui, il ne serait pas convenable qu'il donnât lui-même une opinion juridique au Bureau des gouverneurs de la radiodiffusion. Le problème a donc été posé à M<sup>e</sup> A. R. B. Lawrence, C.R., qui avait agi à titre de conseiller du Bureau durant plusieurs mois avant la nomination d'un conseil permanent du Bureau et qui connaissait bien la Loi et les responsabilités du Bureau.

L'opinion exprimée au Bureau par M. Lawrence a été que l'émission ne pouvait pas être considérée comme étant «sous une forme dramatique» et que, en conséquence, elle n'allait pas à l'encontre des dispositions de l'article 17, paragraphe (1) de la Loi.

Évidemment, le Bureau n'était pas obligé d'accepter cette opinion. Il a cependant décidé de l'accepter.

Les postes, agences et commanditaires peuvent s'informer si un texte est acceptable. Ceux qui demandent des renseignements reçoivent toujours la décision rendue par le Bureau. Dans le cas actuel, M. Grosart a reçu la réponse à la lettre qu'il avait envoyée. Le Bureau a préparé des instructions à l'adresse de tous les postes en les informant de l'interprétation donnée par le Bureau au paragraphe (1) de l'article 17 de la Loi. Les décisions rendues par le Bureau dans des cas particuliers s'appliquent à tous les cas semblables; le Bureau s'emploie à appliquer ce principe uniformément, sans parti pris ni distinction indue. Après avoir rendu une décision, dans le cas actuel, sur l'interprétation des mots «sous une forme dramatique», le Bureau est obligé d'appliquer la même interprétation à tous les cas semblables, en tout temps, à toute station et pour les textes utilisés par n'importe quel parti.

Le Bureau acceptera et approuvera des émissions représentant des candidats qui vaquent à leurs occupations habituelles de candidats. Il interdira l'usage de tout document qui est imaginé, inventé ou préparé spécifiquement aux fins d'une émission et qui ne se rapporte pas aux occupations habituelles d'un candidat à un poste public.

Le seul point en litige dans le cas présent est de savoir si un court métrage montrant un candidat vaquant à ses occupations habituelles est une émission présentée «sous une forme dramatique». Toute autre considération est étrangère au sujet et hors de propos. On peut différer d'opinion au sujet du point en litige. Le Bureau croit, cependant, que l'opinion qui lui a été fournie et l'interprétation qu'il propose à titre d'application lui semblent être une interprétation raisonnable et acceptable de la loi que le Bureau est tenu d'appliquer.

En tant que citoyen, M. Munro a le droit d'insister pour que le Bureau des gouverneurs de la radiodiffusion soit libre de toute influence politique sous quelque forme que ce soit et qu'il résiste à ces tentatives lorsqu'elles se produisent. Dans le cas de Peterborough il n'y a pas eu d'influence exercée sur le Bureau et le Bureau n'a pas rendu sa décision à la suite d'une influence. M. Munro a également droit d'exprimer son opinion sur ce que le président du Bureau devrait faire ou ne pas faire: cela ne doit pas être interprété comme une influence exercée sur le Bureau. Mais, comme M. Munro ne possédait pas tous les renseignements nécessaires au sujet du fait en question, il en est venu à une conclusion erronée. En conséquence, le président ne voit aucune raison valable pour se rendre à la demande de M. Munro.















HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

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THURSDAY, MARCH 23, 1961

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WITNESSES:

Dr. Andrew Stewart, Chairman; Mr. W. C. Pearson, Counsel; Board of  
Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Fortin	Morissette
Allmark	Horner ( <i>Acadia</i> )	Pickersgill
Baldwin	Keays	Pratt
Bourbonnais	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Simcoe North</i> )
Fisher	McQuillan	Tremblay
Forgie	Mitchell	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N,  
THURSDAY, March 23, 1961.  
(13)

The Special Committee on Broadcasting met at 9.40 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Caron, Chown, Danforth, Fairfield, Horner (*Acadia*), Lambert, McGrath, Pickersgill, Pratt, Regnier, Richard (*Ottawa East*), Robichaud, Simpson, Smith (*Simcoe North*), Webb—(18). Also, Mr. Pitman, M.P.

*In attendance: From the Board of Broadcast Governors:* Dr. Andrew Stewart, chairman; Mr. Carlyle Allison, vice-chairman; Mr. Bernard Goulet, member; Mr. W. D. Mills, secretary; Mr. W. C. Pearson, counsel.

As the proceedings opened, certain returns were tabled and read into the Evidence by the Chairman as follows:

(a) *by the Canadian Broadcasting Corporation*, in answer to question by Mr. Smith (*Simcoe North*). (See page 351)

(b) *by the Board of Broadcast Governors.*

1. In answer to question by Mr. Pugh. (See Page 351)

2. In answer to question by Mr. H. E. Smith (*Simcoe North*). (See page 351)

3. In answer to question by the Honourable J. W. Pickersgill. (See page 352)

(Since the conclusion of the present meeting, the Canadian Broadcasting Corporation has deposited with the Clerk of the Committee the following return. As ordered on Tuesday, March 21st, it is given hereunder.)

On March 16th Mr. Robichaud, at page 260 of the Evidence, asked for a return giving a complete list of C.B.C. investments in Government bonds for the last three years. The matter has been reviewed and the records show that on March 1, 1958, the Corporation had on hand:

\$1,500,000—2 $\frac{3}{4}$ % due June 15/68 purchased in June 1950, and \$1,-000,000—2% due May 1/58 purchased in July 1955.

On April 3, 1958 the Corporation sold at par the \$1,000,000—2% due May 1/58 incurring no loss.

No further transactions have taken place and at this date the Corporation now holds the \$1,500,000—2 $\frac{3}{4}$ % due June 15/68.

The Committee resumed from Tuesday, March 21st the adjourned section-by-section review of the Broadcasting Act, 1958, again with Dr. Andrew Stewart, and also Mr. Pearson, under questioning.

Pursuant to arrangements agreed upon on February 23rd, Mr. Walter Pitman, M.P., took part in the deliberations.

During the examination of Dr. Stewart, Mr. Caron requested that the witness prepare a redraft of section 17 (1) (b) to clarify for the Committee the B.B.G.'s views on its application.

## SPECIAL COMMITTEE

At the conclusion of the section-by-section review of the Act with the officials of the Board of Broadcast Governors, the witnesses were temporarily excused, subject to recall as and when the Committee proceeds with its inquiry into actual operations of B.B.G.

At 11.25 o'clock a.m., on motion of Mr. Lambert, the Committee adjourned to meet again at 9.30 o'clock a.m., Tuesday, April 11th, 1961.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

THURSDAY, March 23, 1961.

9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman and gentlemen. We now have a quorum and the meeting will come to order. I hope you do not think I was mistaken in making the count, but Mr. Pitman is here as an *ex officio* member. This was agreed to by the committee and the subcommittee, that Mr. Pitman should sit in on the meetings at any time when Mr. Fisher was absent.

At the last meeting a question was posed by Mr. Pickersgill, and we were to decide in subcommittee whether any legal advisor should come before us from the attorney general's department. Unfortunately, Mr. Pickersgill was going away yesterday and could not attend the subcommittee meeting. He asked that the matter be deferred until we come to deal again with the B.B.G. on their operations, and I believe that will be quite all right. That course of action was agreed to by the subcommittee, and I hope the committee as a whole will agree to it.

On March 16, Mr. Heber Smith asked for a return listing the property expropriations carried out by the corporation over the last three years. That question will be found at page 255 of the minutes, and the answer to it has now been received from the C.B.C. and states:

The matter has been reviewed and this is to advise that our records show that expropriation has not been resorted to by the corporation at any time within the last three years.

Mr. SMITH (*Simcoe North*): I really asked that question for the enlightenment of Mr. Caron.

The CHAIRMAN: We also have some answers to questions asked of the B.B.G. by other members. On February 13, Mr. Pugh asked for information on the number of radio stations that have failed financially in the last ten years and the answer received from the Secretary of the B.B.G. states:

I would suggest that you inform the Chairman that it does not appear that it is possible from any of the obvious sources to get accurate figures in answer to Mr. Pugh's question. In fact, while many different statistics are maintained in many different forms, neither the C.B.C., D.O.T., or ourselves, can produce the information required.

In the Board's experience (since January 1959) only station CKPT (radio) in Peterborough and station CJSS-TV in Cornwall have changed ownership because of the financial difficulties suffered by the original licensee. Both stations were licensed on recommendation from the Board.

Another question put by Mr. Heber Smith (*Simcoe North*) on Tuesday, March 21, sought the date of licensing of the private television stations in Windsor, Ontario, Quebec City, P.Q., and Kitchener, Ontario. The answer received from the B.B.G. reads as follows:

CKLW-TV, Windsor, Ontario, was licensed on September 15, 1954.

CFCM-TV, Quebec, P.Q. (French language) was licensed on July 17, 1954.

CKMI-TV, Quebec, P.Q. (English language) was licensed on March 8, 1957.

CKCO-TV, Kitchener, Ontario, was licensed on March 1, 1954.

On March 21 also, Mr. Pickersgill asked for a list of licensees that have received order in council exemption under section 14 (2) of the Broadcasting Act, and the answer reads as follows:

To the board's knowledge, only the licensee of station CKLW-TV and CKLW, Windsor, and the licensee of the stations CFCF-TV and CFCF, Montreal, have obtained order in council exemption to section 14 (2) of the act. Both licensees operate a television and a radio station in the respective cities.

At our last meeting we had finished with section 16. We had held over sections 10 and 11 for "operational" questions, and also sections 14 and 15. We shall now go on to deal with section 17. Are there any questions on political broadcasting? Are there any questions on section 17 subsection 1 (a)?

On section 17—political programs.

Mr. PRATT: There is one question I should like to ask. I take it that this section of the act applies entirely to the broadcasting companies and to the owners of stations. I expect that no unfortunate politician who happens to take part in a broadcast of this nature would be in any danger of losing his seat. I do not know if this is a legal question, but I shall be running in an election next week and I have been invited to participate in a program on the day before the election. I understand it is all right if the program is bi-partisan or multi-partisan but, in the event of one participating member not turning up, it might then be interpreted as a partisan broadcast. Would the unfortunate politician be in any danger as a result of that?

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): It is the station which must observe the regulations. It is the station's responsibility.

The CHAIRMAN: I expect your conscience looks after the rest.

Mr. HORNER (*Acadia*): Would Dr. Stewart care to give his interpretation of the word "dramatized"?

Dr. STEWART: I would be very reluctant to define it. I have seen several attempts made to do so and none of them have been completely satisfactory. One may think a satisfactory definition has been arrived at, but then some new evasion, or apparent evasion, turns up and you have to consider the possibility of including it in the definition you already have. It is one of these areas in which it is very difficult to make a definition. In many cases there could be a reasonable difference of opinion.

Mr. HORNER (*Acadia*): Well, I can agree with you so far; but you are still leaving a pretty wide field. There are many doubts raised in my mind on this particular question as to how you would interpret or try to govern a licensee in this particular programming.

Dr. STEWART: Well, I think the best answer I could give would be that if the action which is being reproduced is a normal activity, and it not contrived for the purpose, then I think it would not be dramatized. But if it is a contrived situation, where there is not a real situation which is being depicted, then I would be inclined to think it would generally be considered as dramatized. A lot of real situations are slightly dramatic, and we must avoid putting them in the definition of dramatization.

Mr. CHOWN: You would see a precedent set with Peterborough falling into category 1 now?



Dr. STEWART: Yes indeed. You see, in these cases the decision ultimately is on the basis that the representation was of a candidate going about his normal activities as a candidate. Now, if this is what the essence of the production is, then it is not dramatized. But if it is a contrived situation which departs from the sort of thing which candidates normally do, then it might be in danger of being considered dramatized.

The CHAIRMAN: I think it has some connection all right, but this Peterborough case will be coming up under "operation".

Mr. M. J. A. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): I wonder if the chairman would like to make some observations on something which has come to me in many instances, and that is due to an interpretation of the individual viewer who says: well, such and such a program has a much greater political slant than a dramatic viewpoint; in other words that a program has a very potent political message in the sense of a political philosophy that is being put forward. Those are the ones concerning which I know that I get spoken to and written to, when the people raise this particular section, and say: well, this is nothing but a disguised political dramatization.

Dr. STEWART: This section, of course, deals with partisan political programs which presumably involve the participation of political parties.

Now, this is a somewhat different situation from a program which may reflect a philosophy, although it may be a philosophy which is more normally identified with one political party than with another. But I think there are many programs which in a particular sense involve a political philosophy but which are not necessarily partisan political broadcasts.

Mr. LAMBERT: No, but you would also agree that it would take about the intelligence or knowledge of a ten-year-old to tie the two together, the connection between a political party and the philosophy that is being expounded.

Dr. STEWART: In some cases I think that would be possible, but in other cases perhaps it would not be so likely.

Mr. SMITH (*Simcoe North*): This is a point which bothers me. It is how to interpret the meaning of any program of a political character. This is really supplementary to what Mr. Lambert has said. It seems to me that the radio station would consider a program to be of a political character only by reason of its sponsorship, as it were.

But to get out of the realm of the present controversy, we could go back for several years to a C.B.C. program, in the days of radio. It was, I think Joe Hill, who was a labour union man. There was a great deal of controversy about it. It was not sponsored by a political party, but it was a dramatic program, partly fictionalized, and it certainly was a program of a partisan political character. Yet it had no connection to any political party.

Does the board or do the stations interpret this section as relating only to programs that are sponsored by an identifiable political body?

Dr. STEWART: Yes, I think so far as this section is concerned that we do. Now, there are other principles governing political and controversial broadcasting which apply to other types of programming. But I think it is correct to say that as far as section 17 is concerned, it is the sponsored political program which we have in mind here.

Mr. LAMBERT: Does the board do any watching over this particular type of activity? I mean this, that I can see all sorts of loopholes here, and if the interpretation is only in the matter of whether or not it is of a partisan political character by reason of its sponsorship; then it is open to any licensee to work up a blatantly partisan political program and put it on, when presumably it would escape the strictures of the act.



Dr. STEWART: It would escape before under section 17 of the act.

Mr. LAMBERT: Under the present interpretation.

Mr. BALDWIN: I have a couple of questions just following up what Mr. Heber Smith said about political philosophy not represented necessarily by a political party which has representatives in a provincial legislature or in the House of Commons, and which is not conceivably seeking office. Would this not, in your view, come within section 17?

Dr. STEWART: I am sorry, but I find it difficult to answer you. This would be a situation in which there is a group of people who are not actively seeking to elect people.

Mr. BALDWIN: Or who have no representation at this particular time, but who do have a specific philosophy along political lines, and who seek to put on a program which is obviously a dramatized program. Would they be covered within the four corners of this section?

Dr. STEWART: The only cases I can think of, as real situations, would be, for example, if you had in mind the communist party. I do not know whether there is a communist party in Canada; but if there is a communist party, we would certainly consider it under this. And if there is a nazi party—and I do not know whether or not there is a nazi party in Canada—then I think it would come under this too.

Mr. BALDWIN: We agreed the other day that the communist party would. That is all I had in mind.

Now, what would be the penalty for infraction? Would it be a penalty imposed after summary conviction under section 18, or would it entail suspension of the licence, by reason of a breach of a condition, such as failure to adhere to the different sections?

Dr. STEWART: There could be. It might be either, depending upon which section the board wished to proceed under.

Mr. PITMAN: I would like to go back to Mr. Horner's discussion of what is dramatization. I am interested in your definition of what is dramatic. Suppose you show a candidate going about his normal activities. This might be involved in some sort of film for television purposes, which might include a huge nomination meeting. That might be considered dramatic. But if it is a film of a candidate merely going about his normal activity, you would not call it dramatic. Would there be any difficulty if a sound track were to be placed on the film clip? Would that constitute a drama?

Dr. STEWART: No. This is the whole point: the dramatic viewpoint of the thing is not the consideration. The point is: is it dramatized? You may have a dramatized form which does not have a dramatic impact at all. On the other hand you may have something which is not dramatized, but which has a terrific dramatic impact on the audience. The point is: is it dramatized, not what its effects are.

Mrs. CASSELMAN: I think that Mr. Pitman has pretty well asked my question. You would be getting into quite a competition with big showy meetings, if this is right. After all, you can bring in all sorts of special programming effects.

Dr. STEWART: I think it is a matter of good taste.

Mr. RICHARD (*Ottawa East*): You have good taste.

Mr. CHOWN: This section relates only to political parties and politicians. I harken back to the question that Mr. Lambert asked and the reply you gave, to the effect that while you do have control under these particular sections of that type of programming, you suggest there are other sections of the act which give you some regulatory control of such programs. Might I ask what those other sections are?

Dr. STEWART: Well, under section 11, generally, and the ones referring to programs; I think we have enough wide powers under the general section 10 and the specific section 11 to justify the general principles which are set out in the so-called white paper, referring to controversial political broadcasts. These are not regulations, they are statements of policy.

Mr. HORNER (*Acadia*): My question follows up those of Mr. Baldwin's, about the penalty, and to whom it shall apply. I can think of one particular situation which comes to mind, where I think the C.B.C. might have violated this act. It was, in a sense, a dramatized program concerning the nazi party in Montreal. I think it was contrived for the purpose of misleading the public into believing that there was an organization which had a foundation in Canada, and had a movement.

I wonder if it would not be better applied if it were confined under this section, rather than taking away its licence. I realize it would be difficult, and perhaps not be desirable to take a licence away from the C.B.C. So maybe a fine would be in order, and easier to apply.

Dr. STEWART: It is a problem as to how to penalize people who break this regulation. The problem is unquestionably a very difficult one in the case of documentaries and clinical analyses of social problems. In those areas the problem becomes extremely difficult, and the line of demarcation between the purely factual presentation and the element of dramatization, which undoubtedly the producer likes to inject in terms of the dramatic effect into his program. Here I am back at the distinction: is it dramatized, or are you looking at the effect of the thing.

I think this is the real problem, rather than that of how to proceed when you penalize people who breach the regulations. I think that the nature of the breach might differ in particular cases, and if it could be shown that it was deliberate, it would be a different situation; it would differ from the situation in which you at least cannot establish that there has been a deliberate and flagrant breach of the regulations.

Mr. HORNER (*Acadia*): In this particular program, the C.B.C. did not have to bother to portray the nazi party in Canada at all. They could have left the door unopened, shall I say. It was a deliberate action on their part, in my interpretation.

However, I accept your definition of dramatization. I think it is a very good one. But this was deliberate on the part of the C.B.C. and was contrived for the purpose of trying to convince the public that this party had a definite foundation in Canada. But it was proven by the authorities, after the program, that this was more or less a big balloon which popped up in the air for no reason at all, and that there was no foundation to the party in Canada to any extent, or at least to the extent it was portrayed in the film.

Dr. STEWART: I think, having made the decision—let me put it this way—that the broadcaster is going into a program on such a matter as this, that is one thing. Now, is it significant, or is it not? Is it worth while doing, or is it because of a decision which has to be made? But if it is the decision that it is of interest to the public that something should be done, and if you are then confronted at the same time with the problem of the degree of restraint with which this is done in terms of the reality of the situation, then how far is the producer, who is basically an artist, trying to operate effectively in an artistic way to produce a dramatic impact in the story that he is trying to tell? It seems to me that this is the problem.

Mr. HORNER (*Acadia*): That is true; but definitely this was a political program of a partisan nature. An artist would certainly try to control his emotions in order to put on a non-dramatized program at least, if he thought it was necessary to put it on at all.



Mr. SMITH (*Simcoe North*): I wonder, having regard to the two parts of the section, whether it should be applied.

The CHAIRMAN: Is your question supplementary to Mr. Horner's question?

Mr. SMITH (*Simcoe North*): Yes; having regard to the way in which the section is constructed, and the others which appear in the act, I wonder whether or not it should apply only to political parties seeking votes for a measurable time before an election.

Dr. STEWART: I would think so, yes.

Mr. SMITH (*Simcoe North*): It seems to me that if you apply it any wider than that, you might sterilize a lot of political information or opinion.

MISS AITKEN: Did the B.B.G. in effect have an opinion on that nazi broadcast?

Dr. STEWART: No.

MISS AITKEN: You never go into it at all?

Dr. STEWART: Well, we discussed it, because of the public interest that was shown in it. But it did not seem to us, in view of our powers under the act, that there was anything for the board to do in this particular case.

Mr. CHOWN: Should not these and similar types of programs be subject to scrutiny by the B.B.G.? And in line with your earlier evidence with respect to fines, which you did not object to particularly, would this not be a situation where a fine would have quite an impact? Would not the fact that a licensee is so fined, after you have scrutinized such a program and decided that it was not in the public interest, or that it was not in compliance with the act, be a type of situation where a fine could be usefully applied?

Dr. STEWART: Frankly, I do not want to press the idea of fines very strongly, apart from the question of excessive advertising. I think it is just another means which might be made available to the board in trying to fit the action to the circumstances, which does give some more flexibility.

In the case of the corporation I think that even knowledge of the fact that the board had taken action to bring a breach to the attention of the corporation would be as salutary as taking money from the corporation.

Mr. HORNER (*Acadia*): Perhaps a fine against the producer would be more effective in order to stress the importance of his controlling his emotions in dramatizing political broadcasts.

Dr. STEWART: This could be; but I think it is outside the responsibility of the B.B.G.

Mr. LAMBERT: Is it your feeling this was designed more for around election time, whether by-elections or general elections, rather than maintaining a continuing political censorship, which I certainly do not feel should be within the power of the board.

Dr. STEWART: I think these are indeed the circumstances in which the board finds itself with these sections. There is one point which at some stage I would want to mention here. I think it arises out of Mr. Lambert's question. Strictly speaking under section 17(1)(b) on a literal interpretation of the subsection if there is a municipal election going on anywhere in Canada, then forty-eight hours before that election day you could not have even a provincial or a federal political broadcast.

Mr. LAMBERT: Since when are municipal elections partisan?

Dr. STEWART: The section reads:

No licensee shall broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held



for the election of a member of the House of Commons, the legislature of a province or the council of a municipal corporation, or on the two days immediately preceding any such day.

In fact, if the board were to administer this, there are several months during the year in which all political broadcasts would have to be discontinued. This subsection certainly needs clarification.

Mr. DANFORTH: I have a question in two parts in respect of section 17(1)(a). The first part is, could the actions of a single individual be deemed as a dramatization? Secondly, under subsection 17(1)(a) could you control the broadcasts of an individual who supposedly would be a news analyst or news commentator directly slanting his remarks so that they could be considered as being of a partisan political nature?

Dr. STEWART: The answer to the first part is that in my view an individual could, in fact, put on a dramatized program. On the second part, I think the answer is that so far as commentators are concerned the problem is in the operation of the station; that is, this section of the act applies to the licensee—in fact all of the regulations under the act apply to the licensee—so that it is the licensee that is responsible. It is one of the responsibilities of the licensee under the so called white paper on political controversial broadcasting that there be a balance in the presentation of controversial matters within which political comment does fall. Therefore, if a licensee were continuously in its total programming slanting the presentation so as to give an emphasis in one direction, rather than a balance, such licensee could be brought before the board.

Mr. DANFORTH: Then perhaps it would follow that under subsection 1(a) of section 17 a continual analysis of news or interpretation of the commentator directed towards a particular political philosophy of a party could be considered as a dramatization.

Dr. STEWART: I want to be careful in my answer. Are you referring to one commentator?

Mr. DANFORTH: Yes. Could it be considered as a dramatization under section 17(1)(a)?

Dr. STEWART: I do not think it could be considered a dramatization. You referred to a slanting of the presentation.

Mr. DANFORTH: Which could be considered as a deliberate policy of slanting a commentary or analysis towards a definite political policy.

Dr. STEWART: Not, I think, in the case of a particular commentator; but the total presentation of the licensee should contain a balance so that if he has a commentator who leans in one direction, then he should have as well, within a general program format, something to balance this.

Mr. DANFORTH: Then if there is in fact only one of such a type on a station and it is directed towards a particular philosophy or policy of a party, could that then conceivably fall under 17(1)(a)?

Dr. STEWART: Yes, under these specific conditions.

Mr. BALDWIN: I judge, from what Dr. Stewart said, that a broadcaster who continually slanted his commentary in such a way as to indicate a bias would not come under section 17(1)(a); but is it possible if he did this so continuously as to identify himself with a political group or philosophy that he might come under section 17(2) and have to indicate before and after the broadcast the political party for which he is making the commentary.

Mr. PRATT: I do not see how any broadcast under section 17(1)(a) could be considered as dramatized mainly because it is considered to be particularly partisan, unless the dramatist wore a beard.

Dr. STEWART: The mere slanting of political emphasis on a broadcast does not make it dramatized. This comes to the question of controversial broadcasting—free access on the air, equal access on the air, and the right to reply, which we are trying to enforce.

Mr. RICHARD (*Ottawa East*): In other words you are not trying to censor public opinion.

Mr. BALDWIN: I am waiting for my answer as to whether or not Dr. Stewart thought this should be a matter of identification before and after the program. Has it come up before?

Dr. STEWART: Not in the extreme form in which I think you are putting it. I could conceive of a circumstance where a commentary was so clear, and obviously identified with a party, that in fact one would have to conclude that the commentator in all circumstances was speaking for the party; but I cannot think of any case which to me seems to be quite as blatant as that.

Mr. BALDWIN: We will keep our eyes open.

Dr. STEWART: Yes.

Mr. RICHARD (*Ottawa East*): In other words you are not trying to censor opinions of a commentator who is creating atmosphere. This section really applies to dramatized programs by political parties; but surely we are not trying to censor an opinion or a thought of a playwright who wants to express a philosophy to the public. Surely in this country we are entitled to know the different viewpoints and philosophies of any party. If it is presented not as a political broadcast, surely we have not reached the point where we will have that kind of censorship.

Mr. LAMBERT: Does it go so far as providing not only the forum, but as I believe someone said the other day, the hall was provided and a captive audience. Does the fact that it says "provide a forum"—this is not my thinking but is a question which was put by someone—mean you are going to pay for the hall and provide a captive audience for those ideas which may be thoroughly rejected.

Mr. RICHARD (*Ottawa East*): By whom?

Mr. HORNER (*Acadia*): By the public generally.

Mr. RICHARD (*Ottawa East*): Do you pose as a judge for the public?

Mr. HORNER (*Acadia*): The public aired its views on this quite strongly.

Dr. STEWART: It seems to me the essential principle here is the principle of freedom of speech.

Mr. LAMBERT: Also freedom of listening.

Mr. RICHARD (*Ottawa East*): You can turn it off.

Mr. LAMBERT: You can step out of a luncheon if you have a political speaker, but that is not done.

Dr. STEWART: I would wish that the board so far as possible could avoid being charged with the restraint of freedom of speech.

Mr. SIMPSON: My question deals with the subject brought up by Mr. Horner of one particular program. I did not see this particular program. It happened to be in an area slightly north of Winnipeg at the time.

Dr. STEWART: We have heard of it.

Mr. SIMPSON: I am bringing this up, however, because I had numerous complaints from my constituents. They were very bitter in their criticism of this particular program, in which one of the persons interviewed was seen wearing a certain type of uniform which had a nazi swastika apparently in full view. I would like to know whether or not this contravenes any law of



the land. We all remember when in certain parts of Canada swastikas were placed on the sides of buildings, and one place and another by individuals. I do not know for sure whether or not they were breaking the law. I would like to know if we know of the great public feeling which was aroused when these actions were taken in certain parts of Canada and then have this seen on the C.B.C. We can understand how people became aroused.

An hon. MEMBER: The C.B.C. is immune.

Mr. SIMPSON: Why do you say that?

Dr. STEWART: I do not know of any infraction of the law involved in this particular case.

Mr. HORNER (*Acadia*): Would you say that wearing uniforms of that nature could be a considerable degree of dramatization or theatrical effect?

Dr. STEWART: If the man were not customarily wearing the uniform, if it was not a practice of the man to wear the uniform—and by “customarily” I do not mean every day—and if it were put on for this occasion, I would think it was dramatized.

Mr. HORNER (*Acadia*): I think that would hold true in this case. I do not think this particular man walked around Montreal with the swastika on his arm like he did on this particular program. My interpretation of this is that it is a direct violation of section 17(1)(a) of the act. I think the board should have at least criticized the C.B.C. for putting on this program.

The CHAIRMAN: I saw this program and I am sure it did not sell nazism in Canada.

Mr. HORNER (*Acadia*): It was a dramatized political program of a partisan nature. If there is any doubt in the minds of the members of the committee I would suggest that the committee have the program reviewed in order that we can determine whether or not it is a dramatized program. I imagine there is a tape of this particular program which could be reviewed in order to determine whether or not it was a dramatic program of a partisan nature.

Mr. CARON: There was no election going on at that time.

Mr. HORNER (*Acadia*): That is not the point. That does not enter into clause 17(1)(a) at all.

Mr. CHOWN: I am not opposed to the suggestion of Mr. Horner that we review it, but I am wondering whether or not you had a great avalanche of protests about this program?

Dr. STEWART: No.

Mr. CHOWN: I had quite a lot of mail on this from constituents.

The CHAIRMAN: Most of whom had not had to face the nazi cross either.

Mr. BALDWIN: I would like to pursue the point Dr. Stewart raised. Is it your suggestion that in order to bring some clarity into section 17(1)(b) you would insert somewhere in that section wording to the effect that “if the program is related to such an election”, so that a program dealing with a municipal election would not in any sense have a reference to a provincial or federal election.

Dr. STEWART: I think the problem could be cleared up in this way. Of course we have made another suggestion on this clause.

Mr. PITMAN: I would like to ask Dr. Stewart if he feels that advertising commenced on the day before an election has a great effect?

Dr. STEWART: My answer must be on behalf of the board. We did make a recommendation to this committee that the forty-eight hour “blackout” provision be lifted. However, we are aware of the fact that this has been discussed in other committees of the house. Naturally, we have to abide by whatever the act requires.



Mr. LAMBERT: Surely there must be some intelligent interpretation even perhaps of what may be a very literal and restricted interpretation of section 17(1)(b). How possibly could a byelection in western Canada affect a municipal election down in New Brunswick? I would submit that 99 per cent of all municipal elections are on a nonpartisan basis, at least not a national party basis. A regional broadcast of a byelection out in western Canada would not even be seen in the Maritimes, and vice versa.

Dr. STEWART: I think this is the reasonable application the board is making of this; but I do not think it is consistent with a strict interpretation of the section. Therefore, I think the section should be cleared up a little.

Mr. CARON: Has the B.B.G. submitted any alternative form to clarify this?

Dr. STEWART: No, but we would be prepared to do this if the committee so wishes.

Mr. CARON: I think it needs clarification in respect of the time in which this should apply and whether or not it should involve byelections and municipal elections held in different parts of the country.

Dr. STEWART: We would be glad to prepare a draft of what we think would handle this.

The CHAIRMAN: Are there any further questions on this section?

Mr. LAMBERT: I would think that for broadcasts in television, particularly of one minute or three minutes duration, perhaps a continuous overlay of sponsorship would be satisfactory.

Dr. STEWART: We suggested this in our letter of September 7, to Mr. Lyons. We suggested that in television they might be permitted to use a continuous flash overlay to identify sponsors of programs; this would be a continual video presentation considered as an overlay. In the audio we feel there is a need for flash announcements, but that announcements of sponsorship before and at the end of radio do not contribute very much. It might be either before or at the end, and if there is a choice we think it may be better at the end than at the beginning.

The CHAIRMAN: Are there any further questions?

We will proceed to section 18.

Mr. LAMBERT: This goes to the question of whether or not the board would be prepared to consider laying a charge under the Criminal Code.

Dr. STEWART: We have always assumed that under some circumstances we would be prepared to do that.

The CHAIRMAN: Are there any further questions?

Section 19, report to parliament. Are there any questions on this section?

Section 20, expenditures. Are there any questions on this section?

On part II I think we will ask if Dr. Stewart has any comments to make rather than go through it section by section. Have you any comments to make on any section of part II of the act?

Dr. STEWART: Any comments we have fall within section 29; apart from that we have no comment.

The CHAIRMAN: Has the committee any questions on any of the sections up to section 29?

Mr. LAMBERT: I am sorry, Mr. Chairman, but I was unable to be here on Tuesday. I am wondering whether under section 14, Dr. Stewart was asked to, or did he, discuss the matter of a Canadian citizen ordinarily resident in Canada?

The CHAIRMAN: That was gone into pretty fully.

Are there any questions on the sections up until section 29?

Then, Dr. Stewart, would you like to discuss your proposed changes in respect of section 29?

Dr. STEWART: The problem we have encountered is under section 29(1)(b) which reads that the corporation has power to establish "subject to approval of the governor in council, such broadcasting stations as the corporation considers necessary or desirable". There has been some difficulty which seems to come under this section with respect to the situation in which the corporation is applying for a licence and in which there is, or have been, opposing applications. Now, our interpretation of the section, having in mind that subsection 2 states: "the corporation is bound by the provisions of part I," is that normally subsection (b) of section 29 would apply in this way—that the application of the corporation would come forward to the board in the usual way as required under section 12 and that, as in the case of all recommendations of the board, our recommendation would eventually go through the Minister of Transport to the governor in council for approval, and the governor in council, in accordance with the provisions of the section, either approves or disapproves it.

However, as members of the committee are aware, in the case of applications for an outlet in Edmonton there was some criticism of the procedure on which we have commented on this in our letter of September 7, to Mr. Lyons. The board feels it has to inquire of any applicants whether they are financially capable of proceeding with the application, establishing the facilities and getting into operation on a satisfactory basis. We also have to ask this question of the corporation, and this means going into the budgetary situation of the corporation. Our feeling would be that if in the normal way in which the budget of the corporation is dealt with, by the treasury board or by any other manner, approval is given for funds to establish a station, we feel this should be clearly on the understanding that it is subject to the normal processes under part I of the act, and that it is merely permissive so that the board can receive an application from the corporation in advance of the date on which it proposes to provide a station; and the board can make its recommendation to be forwarded through the Minister of Transport to the governor in council who will eventually decide upon it. In other words, we are inclined to feel that if the corporation wished to come forward with an application, the funds for its proposed project should not be struck from the budget until the normal processes had been completed. If the corporation wishes to proceed with an application it should be permitted to do so and provisional funds should be made available in order that its application may be processed.

There is an awkwardness involved here and I do know that some of the competing applicants in Edmonton felt they did not have a chance and that the situation was prejudged. I think this feeling was illfounded; but we, as a board, can understand the feelings of people in such a situation and we are not surprised they may feel this way, even though we think their position is unfounded. In order to deal with the problem we have suggested means in our letter of September 7, by which we think the difficulty could be reduced or resolved. That is not to say that this is the only way it could be done; but, after some discussion, the substance of our suggestion is that the corporation might be asked in terms of its continuing responsibility under part II of the act, the section outlining the position it is expected to occupy in the national broadcasting system, to indicate where it thinks it should have additional stations of its own in Canada.

We ask this in order that the plan or project of the corporation might then be referred to the board so that the board might make a recommendation



to the governor in council, and that then a decision might be made by governor in council that some or none—whatever the answer is—channels might be reserved for the C.B.C. in certain situations. This does not mean that there would be any immediate application for them but would merely leave an opportunity open for the corporation to establish stations in those centres in fulfilment of its responsibilities under the act.

Mr. LAMBERT: There are a few questions I should like to ask Dr. Stewart in connection with this. First of all, on the matter of the budgetary provision. Is there any suggestion that the C.B.C. would obtain its funds subject to its being able to make its case before the board?

Dr. STEWART: Mr. Lambert, it seems to me there is a possibility of misinterpretation under this section of the act, particularly with regard to the phrase "establish, subject to the approval of the governor in council". In the case of Edmonton, when we asked the corporation: "are you financially in a position to proceed"? The corporation said, "yes", and we did not pursue the matter any further. I think part of the confusion in the minds of the other applicants was due to the feeling that there may have been some prior element of support or approval.

Mr. LAMBERT: But with regard to the funds of the corporation, perhaps that would relate to the time at which the application was made. In this particular instance, I think the C.B.C. was the last one to indicate its intention to apply and it is conceivable this viewpoint arose because by then the others, the other applicants, were committed.

Dr. STEWART: I think that was true in the Edmonton case but, as members of the committee may be aware, we shall shortly be confronted with a decision as a result of an announcement of the C.B.C. that it is interested in establishing a station in Quebec city. Therefore, it seems to me this problem should be dealt with before we get into that case.

Mr. LAMBERT: Carrying on with the question of the disclosure of plans, do you feel this might be, perhaps, a two-edged sword? I do not want to put words into your mouth, but there may be some difficulties if the corporation discloses its plans, not for one year but for several years in advance. If the corporation does that the localities involved will bring tremendous pressure to bear on the corporation to provide service and not wait for four or five years. They will say: "let us have it now".

Dr. STEWART: That is possible.

The CHAIRMAN: Have you any further questions, Mr. Lambert?

Mr. LAMBERT: Not at this stage.

Mr. McGRATH: Is it your opinion, Dr. Stewart, that section 29 subsection 1 (b) should be amended? As it stands now it is open to very wide interpretation. I believe the question was put to you before, about your interpretation of this, and I believe—though I stand to be corrected—that the board felt the corporation had to apply for a licence to operate a station just like any other applicant. Subsection 1 (b) states that the corporation shall "establish, subject to approval of the governor in council such broadcasting stations as the corporation considers necessary or desirable". It does not state "such broadcasting stations as the B.B.C. considers necessary or desirable", but only those which the corporation itself considers necessary or desirable. In other words, it is conceivable from this that the C.B.C. could go ahead and establish their outlook in Quebec city without applying to the board for a licence. I think very serious consideration should be given to this subsection.

Mr. LAMBERT: But it must be taken in conjunction with subsection 2.



Mr. McGRATH: Section 29 (1) (b) is quite clear. I think you suggested, Dr. Stewart, that in the case of Edmonton the other applicants who were contesting and applying for the outlet felt there were two strokes against them, and I am sure that if they studied the act they would agree that under section 29, subsection (1) (b), they did not have a chance. It is logical to assume that it was a foregone conclusion.

Dr. STEWART: I have no instructions from the board on any proposed amendment to this section but I think if "subject to the provisions of part I" were written into the subsection, then it would make it perfectly clear. We have always felt it was perfectly clear because subsection 2 says the corporation is bound by the provisions of part I. It might make it clearer if that were written into subsection (1) (b).

Mr. LAMBERT: But you might then get into the difficulty—and this is a legal interpretation—that by removing it from subsection 2 and placing it in subsection (1) (b), the board would only have control over the corporation in that very limited field.

Dr. STEWART: Mr. Lambert, I would wish to withdraw from any legal argument on the matter. I was not suggesting it be removed but merely that, in order to make it abundantly clear, it be inserted in this subsection as well.

Mr. LAMBERT: I think the confusion arises from not reading the act.

Mr. McGRATH: Who decides when an area is to have a second television channel, or even a first television channel? Under what part of the act does the responsibility lie with a particular body? Is it your responsibility or the responsibility of the C.B.C. to determine when Canadian talent is to have a first or second television channel?

Dr. STEWART: We feel we cannot compel the corporation to make an application, however important the board might think it to be to provide a service. If the corporation is not prepared to spend the money, and similarly in the case of a private applicant, we cannot compel them to put up the funds to operate a station. As indicated the other day, we have tried to interest ourselves in these blank spots and have tried to stimulate interest in them so that the corporation or private applicants may come forward with proposals for stations. However, we are not in a position to compel either the corporation or private applicants to come forward and commit themselves to providing facilities.

The CHAIRMAN: Are there any further questions?

Mr. McGRATH: I was about to ask one final question. It is not your practice to declare that you will be receiving applications for St. John's, Newfoundland, next month?

Dr. STEWART: We did this in the case of second television stations and only in that case; but then the minister announced in the house that the one station policy was no longer in effect. Therefore, we did announce that because of this change of policy the Board would hear second applications, but we have already announced that we shall not hear third applications at this time.

Mr. CARON: In an effort to clarify section 29 subsection (1) (b), it has been suggested over here that if the words were rearranged so as to read: "establish, subject to approval of the Board of Broadcast Governors and the governor in council," that should clarify it enough.

Dr. STEWART: We have discussed this with our counsel and we feel it would not be helpful because, as I understand it, both are already in the act. I wonder if I might ask Mr. Pearson to comment on this.

Mr. W. C. PEARSON (*Counsel, Board of Broadcast Governors*): Mr. Chairman, it seems to me we are getting into the objectives and powers of the corporation, but establishing a station is a question of obtaining a licence first. The corporation must file an application and this is done under the Radio Act. What you are dealing with here are the statutory powers of the corporation, its operations, whether it intends to file an application or not. The suggested amendment would do nothing but bring the board into messing with the corporation's budget, which may or may not be a good thing, but I imagine that the corporation would prefer to look after its own budget.

Mr. HORNER (*Acadia*): I was hoping to put a question on the same lines. In order to clarify the act, and I may say there is a great deal of confusion about it in Edmonton, could the whole of paragraph (b) be deleted and leave in subsection 2. Would that not remove any doubts?

The CHAIRMAN: Perhaps it might be better to go into this matter afterwards, discuss it, and bring it up later.

Mr. HORNER (*Acadia*): I just throw out the suggestion.

Dr. STEWART: I think this is a problem of legal drafting and I should prefer not to give an opinion on it.

Mr. CHOWN: You are getting free legal advice.

Mr. LAMBERT: I have not got a copy of the Radio Act before me but, perhaps, it might be preferable to make the amendment in that statute rather than in this one.

Dr. STEWART: On the position of the corporation as a licensee, I think we are agreed on that.

Mr. LAMBERT: On this, Dr. Stewart, it has been suggested in some circles that one way out of the dilemma would be for the board, in its proceedings, to hear applications for licences in those sectors where the corporation might be interested, might have a type of preliminary hearing on the basis of "shall this be public or shall it be limited to the private broadcasters?" I am not too sure if that is correct but this was said by people who were, primarily, disappointed applicants in competition with the corporation. They said "we spent a lot of money and we might as well have saved it". If there had been a decision that a particular area should be in the realm of public broadcasting, or should be left to the field of private broadcasters, it would have saved them money.

Dr. STEWART: We have thought of this and discussed it. Let us be quite specific on a case which we know is coming up before us in Quebec city. We should be glad to have the committee consider this sort of situation and make any recommendation it wishes to make in order to deal with it.

We know that there is, as of now, a private application being processed in Quebec city and presumably it will come before the board at its June hearings. The corporation has already announced its interest in establishing its own station there, and what I can conceive happening in this case is that the private applicant will come forward in June. I doubt if the corporation has provision in its budget for a station there at this time, but I do not know that. I am assuming it does not have the money and in that event, I think the corporation will come forward and ask for a deferment or a reserved decision on the private application until the board is in a position to hear the corporation's application. Supposing the board goes along with that, then we are confronted with two applications, one from a private applicant and one from the corporation.

Many of my colleagues feel we should go ahead and deal with this on an ad hoc basis, and consider the circumstances in each case; but on the other hand, there are some of us who feel that because of the national purposes



which the corporation has to perform there are certain special considerations in the case of an application of the corporation and that it may be in a particular situation you are really deciding on the basis of these national purposes. If that were done one could probably decide beforehand.

Mr. LAMBERT: However, the chief argument against that type of preliminary hearing is that it would not save a lot of money. I can see that the board would not be in a position to judge the best of the private applicants as against the corporation without complete briefs. These would have to be submitted anyway.

Dr. STEWART: That seems to be a very valid objection to the proposal.

Mr. PICKERSGILL: I have a supplementary question to that of Mr. Lambert. Would it be possible, where it is known the C.B.C. is going to make an application, to have a preliminary hearing at which any other interested applicant could attend, simply to determine the question of whether there should be a C.B.C. station or whether the board feels there should be an opening for a private station? It does seem to me that the cards are really stacked in one way. You are asking an applicant to go to all the expense of making a technical case and the matter is not going to be decided on technical grounds. It is going to be decided on national grounds, whether it is to be a public or a private station. This seems to me to be unfair, and is a situation in which you are leading citizens into a competition which is not a competition at all.

Dr. STEWART: It is very difficult, as Mr. Lambert pointed out, to separate the principle from the conditions of the application. For example, at your hearing you could decide in principle that the station should go to a private applicant but later he may say he is not interested in making an application or else, comes forward with an application which is entirely unsatisfactory and you have to turn him down.

Mr. LAMBERT: Furthermore, in view of the emergence of a second network, you will have to decide between two applicants who is the better, bearing in mind also the potential of the market.

Mr. PICKERSGILL: But if the board is really going to be satisfied that it is in the national interest to have a C.B.C. station, then a private applicant should not be put to the expense involved in making an application.

Mr. McGRATH: That comes back to my question. It is the board which must determine whether a particular area is going to be opened up to a second channel or a third channel, instead of leaving it to the corporation to decide.

Dr. STEWART: There is a wide field of opinion. If the particular area is an unserved area, everyone knows we are open to receive applications. Also, if it is a highly populated area which does not have a second television station, anyone can apply for a licence for a second station.

Mr. McGRATH: But the point made by Mr. Pickersgill was a very good one. If the corporation announces its intention to establish a station, subject to the approval of the B.B.G. then, if I were a private applicant, I think I would believe the cards were stacked against me.

Dr. STEWART: The people of Pembroke have no reason to make that assumption.

Mr. McGRATH: According to the act the C.B.C. is charged with the responsibility of providing a national service?

Dr. STEWART: Yes, but so far as the board is concerned, it depends on the nature of the application which the corporation makes and the nature of the application which a private applicant makes. In the case of Pembroke the corporation applied for permission to operate a satellite with no local



service, but a private applicant came forward prepared to provide a local service. The board felt that a local service was sufficiently important and they recommended the private applicant rather than the corporation.

Mr. McGRATH: My point is that the application itself is all-important. The corporation are professionals in this. After all, this is their business and they will always have a good application to present. I am making the point that it places the private applicant at an unfair disadvantage.

Dr. STEWART: From the Edmonton case we know they have felt that way and we would be glad to avoid it. As a board we are prepared to go ahead and deal with them on an ad hoc basis. If there are applications before us we shall hear them and deal with them upon the merits of the individual cases. In certain situations, I can see that if applicants are unsuccessful they will be unhappy, as they were in Edmonton.

Mr. PRATT: I should like to make one small point. Section 29 subsection 2 states: "the corporation is bound by the provisions of part I," and in part I, section 10, it states among other things: "regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto". I should like to know, is there any limitation, in practice, of the power set forth in this section in regard to controlling the corporation?

Dr. STEWART: I think I mentioned the other day in relation to section 10, and particularly the wording "final determination of all matters and questions in relation thereto", the board feels that final responsibility rests upon it but that, as a matter of practice, the corporation being set up as a separate organization with its own duties to perform, there are many decisions which should never come before the board, particularly on problems of relationship between the corporation and its affiliates. We feel that these are matters which should form part of the working and operation of the corporation and they are problems which should be worked out with its affiliates.

Mr. LAMBERT: In other words, the ultimate power rests with the board but, in practice, there is a limitation?

Dr. STEWART: Yes.

The CHAIRMAN: We have very little business to go on with and it seems to me that if we could sit for an extra few minutes we might complete the act and then we would not have to meet on Tuesday. Is that agreeable to the committee?

Some hon. MEMBERS: Agreed.

Mr. LAMBERT: In view of the fact that we have this dual system in Canada of public broadcasting and private broadcasting, would you care to comment on that, Dr. Stewart? This is an observation of my own, that this might be one of the slight difficulties we have to deal with.

Dr. STEWART: I think there are difficulties which we shall have to live with, regardless of the act and regardless of the structure of things.

Mr. HORNER (*Acadia*): Some time ago I raised a question in connection with the Edmonton station and the setting up of a corporation station there. Does the existing Edmonton station still remain an affiliate of the C.B.C. or does it become a private station?

Dr. STEWART: We are advised by the corporation that they expect the new station to go on the air, as of October 1, and as of that time the private station will no longer be an affiliate of the corporation.

Mr. HORNER (*Acadia*): I was trying to get this clear in my own mind in view of the coming Quebec situation. Under section 29 and section 10, what

steps does the board take to see that a high standard of programming is projected across the nation through C.B.C.?

Dr. STEWART: This is part of our responsibility under section 10.

Mr. HORNER (*Acadia*): I realize that, but what steps does the board actually take to see this is carried out?

Dr. STEWART: As far as possible to try to operate within the regulatory powers. Section 10 says the board shall regulate for these purposes and, by and large, we try to operate within our regulations. In any case where we have a complaint that the corporation may have breached the regulations, we take the matter up with the corporation.

Mr. HORNER (*Acadia*): In view of that statement, Dr. Stewart, how do you reconcile this statement of yours—I am quoting from a newspaper—

A large proportion of the television audience is not enjoying what it is watching. Most of them stay with it because they do not know what else to do. He says "this is a pity".

You are reported as making that statement, Dr. Stewart and I should like to ask why is it, if it is within your jurisdiction to try and maintain a high standard of programming? Do you still hold that it is a pity many people are watching what they are watching?

Dr. STEWART: What I said actually was that it was a pity they watched things they did not like. That is precisely the point I wanted to make here. We get a lot of letters from people complaining about particular programs. In fact, I doubt if there is any type of program ever shown about which we have not had some letters from viewers saying they did not like it. All I am trying to do is to tell people that I do not know why they should sit through a program if they do not like it.

Mr. HORNER (*Acadia*): I can understand this because I have seen people watching programs they hated. The committee may find this a big joke, but if a man is living in an isolated area where there is only one television station that is bound to happen.

Mr. PICKERSGILL: You can always read Eaton's catalogue.

Mr. HORNER (*Acadia*): A school-boy comment from that particular party.

Mr. PICKERSGILL: Some years ago Eaton's catalogue used to be read in particular spots.

Mr. PRATT: I suggest we put the catalogue on the air.

Mr. HORNER (*Acadia*): The point is that people in many lonely areas have little else to do in the evening. They have only one television channel to watch and when they sit down to view a program they may be looking at something which is just junk for half an hour or so, but they sit on hoping their evening will not be wasted and that a better program will soon be shown. They do not want to read books. I understand the growing generation just do not take to books in the way people used to do and so they turn to television. A man on his own has nothing else to do but watch television or play solitaire. As I say, I can fully understand why people watch programs that they do not like. They do so in the hope of seeing something better later on.

Miss AITKEN: They can always shoot the television set.

Mr. PICKERSGILL: I have a supplementary question which I think may elucidate Mr. Horner's point and get it across better. The situation he describes is rather like the situation in which I find myself. I loathe sliced bread, but in so many cases it is the only kind one can get that I have to eat it. However, in the case of television is it not true that if you do not need television to live and, if you do not really like the program, there is no compulsion on you to look at it?



Mr. HORNER (*Acadia*): I do not think we should belabour this particular point. There are plenty of people who watch programs they do not like. That is illustrated by the report in the *Citizen* that 250 people complained recently about a particular program in Ottawa. Yet, these 250 people sat through that program. I have seen many programs which disgusted me but have never once complained about them and I think these people must have been tremendously disgusted to take the action they did.

The CHAIRMAN: You had a question to ask, Mr. Chown.

Mr. CHOWN: I was about to ask Dr. Stewart, are there any joint meetings between the board of directors of the C.B.C. and the B.B.G.?

Dr. STEWART: We have what we call a Consultative Committee on Public Broadcasting and this is, in fact, a joint committee of the board and the C.B.C. We also have a Consultative Committee on private broadcasting, which is a joint committee of the B.B.G. and the C.A.B. It has been suggested that it might be appropriate for these two committees to meet at the same time together, but that has not been done up to now.

Miss AITKEN: Is that the committee on programming?

Dr. STEWART: The committee is available to discuss any problems of mutual concern. At times they do discuss programming, and other aspects of their work as well.

Miss AITKEN: Do you take the letters of complaint which you receive to these committees?

Dr. STEWART: Letters of complaint which deal with programs shown by the corporation are usually sent to the corporation. I think that on two occasions we have written the corporation formally with respect to a particular program.

Mr. HORNER (*Acadia*): In other words, you do take some action to condemn or criticize the C.B.C. or some other network with regard to their low standard of programming?

Dr. STEWART: In the case of a particular program, if they seem to have breached the regulations.

Mr. HORNER (*Acadia*): But you do not take any precautions before the program is put on?

Dr. STEWART: No. As a matter of fact, I had a private station ask me the other day if it could put on a particular program and I said to them: "ask me when you have put it on. Do not ask me now." This is the difference between regulation and censorship.

Mr. RICHARD (*Ottawa East*): I realize that censorship would give rise to great difficulty, but is it not peculiar that you should wait until a program has been broadcast? We must take into consideration your attitude to fines and penalties, and remember that you have told us you do not like to threaten a person that he may not get a renewal of his licence. Do you not think there is a vacuum and perhaps there should be a tie-up between regulations and maintaining a high standard of program?

Dr. STEWART: No, I think we must do it by regulations, and we must make the licensees conscious of the fact that it is their responsibility to live within the regulations, and that, if they breach the regulations, they are liable to penalties.

Mr. RICHARD (*Ottawa East*): But you must take into consideration a situation in which the corporation is competing with private stations, and there is a tendency to provide low-grade programs which appeal to the community at large.



Mr. HORNER (*Acadia*): I would not like to assume that most stations try to broadcast low standard programs. I wonder if the last speaker meant the C.B.C. is not a business?

Mr. RICHARD (*Ottawa East*): Of course it is in business.

The CHAIRMAN: Are there any other questions on part 2 of the act?

Mr. PICKERSGILL: I should like to ask one further question. Dr. Stewart, has the board found that the C.B.C. is deliberately pursuing the policy of trying to bore and annoy their listeners and viewers?

Dr. STEWART: The only possible answer to that is no.

The CHAIRMAN: Are there any further questions?

Mrs. CASSELMAN: I understood you to say, Dr. Stewart, that you had not the authority or power to give advice to anyone who asked you before-hand about programs due to be broadcast?

Dr. STEWART: No, I said that facetiously. I should have continued my answer and said that I went on to discuss the matter with the station. As a matter of fact, my advice was that they should feel free to put the program on, but I thought it would be well to advise their audience in some way of the nature of the program before it appeared. I think this is an extremely important point.

I think I should also mention that, since certain programs were mentioned here, which gave rise to a volume of complaint against them, letters were also received approving of them. This is of the very nature of the medium with which we are dealing, and we are very conscious of it. With any one program we cannot satisfy everybody sitting before the screen. I am very reluctant, and I think the board as a whole is very reluctant, to place restraints on an adult use of the medium. However, this inevitably must mean that some people are going to object to certain kinds of programs, to my mind programs that should be shown. In fairness to the audience, when a reasonable program is scheduled, to which some people may take offence, I believe some indication should be given to them as to the character of the program. If this practice were more generally followed by broadcasters, it would let their audiences know in advance and it would meet the problem Mr. Horner was talking about.

Mrs. CASSELMAN: In other words, you discuss these problems with the broadcasters and try to give them advice? Do you find it happens often that a station seeks such help?

Dr. STEWART: Not very often, because the board is not in a position to tell them what to do. In fact, they do not want the board to tell them what to do.

Mr. DANFORTH: I have one other question. Following what Mr. Horner has suggested this morning, and in spite of the levity in the committee, it is my considered opinion there would be far more letters of complaint on a particular program which people might find offensive, were it not for the fact that in many of the most populated areas of Ontario we have access to American channels. It would be very interesting indeed to know just how small a percentage of the listeners do listen to C.B.C. programs.

Is there any kind of official or unofficial regulatory body in the industry itself which attempts, in any manner whatsoever, to classify or censor programs?

Dr. STEWART: I do not know of any organization which attempts to classify or censor programs. I am aware of the code of ethics of the Canadian association of broadcasters, to which stations may voluntarily subscribe and, if they do, then they may be disciplined by a committee of the C.A.B. for specific breaches of the code; but again, this is not censorship. It is not telling them what to do. It is setting out certain principles within which they may operate and calling for disciplinary action by their own group.

Mr. DANFORTH: Then the industry is by no means as organized and controlled to the extent one finds in the United States where they have self censorship and where they have endeavoured to raise the standard of their programs?

Dr. STEWART: I think it would be fair to say that the C.A.B. code of ethics should, if anything, be more effective than such self regulation as they have in the states. I say that for the reason that membership in the C.A.B. is a much higher percentage than anything they have in the states.

Mr. DANFORTH: And it is voluntary?

Dr. STEWART: Yes.

Mr. HORNER (*Acadia*): Do I understand from Dr. Stewart that the board has written twice in the past to the corporation to complain about programs?

Dr. STEWART: I am just thinking back. We have written them twice in regard to specific programs and in one case we wrote them a letter in a more general vein referring to one or more recent cases which seem to have accumulated a problem to the point that we had to draw their attention to them.

Mr. HORNER (*Acadia*): May I ask for a list of those particular programs? Is that going too far?

The CHAIRMAN: I do not know.

Mr. HORNER (*Acadia*): If not, I should like to ask for that list so that we can properly judge whether the B.B.G. is making an honest effort to maintain a high standard of programs. I suggest, in all sincerity, that the recent case which gave rise to objections had great repercussions across Canada, and I notice that in the legislature in Alberta one of the members said it was a repulsive and nauseating program to sit and watch. That is pretty strong language in which to describe a program which was broadcast across the country at the taxpayers expense. Since we have the B.B.G. established to try and maintain a high standard of programs we should have some information as to how far they have gone into this particular case.

The CHAIRMAN: Mr. Horner, would you leave that question until we start to deal with the operations of the B.B.G.?

Mr. HORNER (*Acadia*): I have one further question. Dr. Stewart, do you agree with the definition that democracy should work for the masses?

Dr. STEWART: I think democracy is people who work for themselves.

Mr. HORNER (*Acadia*): In other words, you agree with that?

Dr. STEWART: Not with the word "masses".

Mr. PRATT: In view of some of the things said this morning for and against the C.B.C. I should like to say that from my own experience I think Canadian broadcasting would be in a very bad state were it not for the existence of the Canadian Broadcasting Corporation.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (*Simcoe North*): Are the letters which are written in protest or in favour of certain programs a very accurate judge of the quality of those programs? Are they a substitute for mature judgment on the part of the broadcasters?

Dr. STEWART: No, I think we have to be very careful in using letters of complaint as a basis for action. The board uses its judgment here. Sometimes we reply to such letters indicating a defence of the situation because we think this is advisable and in other cases we accept the complaints and pass them on.

The CHAIRMAN: Are there any further questions on part I, II or III of the Act? If not, all I want to say is that we shall not be meeting on Tuesday next. We have completed the Act, except for those operational parts which will be before us when the B.B.G. return.

I should also mention that we have this room for every Tuesday and Thursday following the Easter recess but I understand that it would be better for us to meet at 9.30 a.m. on Tuesday mornings rather than at 10 o'clock as in the past in order to allow another committee the use of the room from 11 a.m. Is that agreed?

Some hon. MEMBERS: Agreed.

—The committee adjourned.











HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

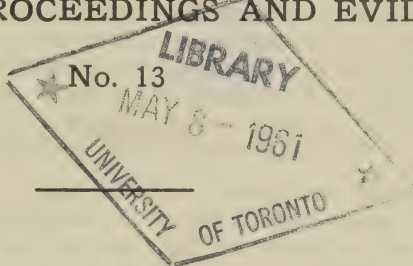
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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE



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TUESDAY, APRIL 11, 1961.

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WITNESS:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss

Allmark

Baldwin

Bourbonnais

Caron

Casselman, Mrs.

Chown

Creaghan

Danforth

Fisher

Forgie

Fortin

Horner (*Acadia*)

Keays

Lambert

Macdonnell

MacEwan

McCleave

McGrath

McIntosh

McQuillan

Mitchell

Morissette

Pickersgill

Pratt

Pugh

Richard (*Ottawa East*)

Robichaud

Rouleau

Simpson

Smith (*Simcoe North*)

Tremblay

Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, April 11, 1961.

(14)

The Special Committee on Broadcasting met at 9.40 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Allmark, Baldwin, Danforth, Fairfield, Fisher, Lambert, Macdonnell, McGrath, Pickersgill, Regnier, Robichaud, Simpson, Smith (*Simcoe North*), Tremblay, Webb—(16).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. E. S. Hallman, Vice-President, Programming; Mr. Barry MacDonald, Executive Assistant.

As the proceedings opened the Chairman read a letter from the Canadian Broadcasting Corporation in answer to a question by Mr. Fortin, M.P., on Tuesday, March 7, relating to French nationals employed in Montreal. (*See beginning of today's evidence and also page 180.*)

The Committee agreed to proceed, in accordance with the recommendation of the Subcommittee on Agenda and Procedure, with its inquiry into the operations of the Canadian Broadcasting Corporation.

Mr. Alphonse Ouimet was called. The witness addressed the Committee at some length and to supplement his review in retrospect of Canadian Broadcasting Corporation's operations, Mr. Ouimet exhibited, with appropriate comments on each, maps which the witness described as "a broad perspective of the physical development of the national service linking the whole country together as an instrument of national consciousness and unity".

The Chairman afterwards informed the Committee that the Canadian Broadcasting Corporation's officials would supply each member with copies of the maps thus shown before the next meeting. However, on the suggestion of the Chairman, it was unanimously agreed that the said maps be included into the printed record of evidence alongside the comments by Mr. Ouimet on each one of them.

Following this a 25-minute film montage, illustrating the range of Canadian Broadcasting Corporation's television programming activities, was projected on a screen especially set up for the occasion.

At the close of the film showing, the Chairman invited the Members of the Subcommittee on Agenda and Procedure to remain in the room after adjournment in order to discuss the Committee's Agenda for the work ahead.

At 10.50 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Thursday, April 13, 1961.

Antoine Chassé,  
*Clerk of the Committee.*





## EVIDENCE

TUESDAY, April 11, 1961.  
9.40 a.m.

The CHAIRMAN: Good morning gentlemen; at last we have a quorum and the meeting can come to order. First of all, I have a communication from the C.B.C. in reply to a question by Mr. Fortin, which I shall just read into the record. It is as follows:

On March 7th Mr. Fortin asked for a return giving the number of French nationals employed at Montreal. The matter has been reviewed and our records show that 10 French nationals have been taken on staff during the last two years. Of these, all have either acquired Canadian citizenship or have filed declaration of intention to seek Canadian citizenship.

The letter is signed by Barry MacDonald, director, policy section, corporate affairs of the C.B.C.

I believe that all members of the committee received a draft agenda just before we rose for Easter, which draft agenda was reviewed by the subcommittee and agreed to by them. The agenda seems to be fairly long but at least it is something to give direction to the committee and, if we do not cross the lines of questioning too much, it will help us in our deliberations. The first order of business as shown is general progress report on the C.B.C. operations. This, I think, is quite an extensive report, complete with maps, and the president of the C.B.C., Mr. Ouimet, has stated it will take practically all the time of the meeting and may even extend a little past 11 o'clock. Therefore, if members would please not interrupt or ask questions, I think it would be reasonable to go through with this and then study the report when it comes before us in the records of the meeting.

I also hope that members of the subcommittee will remain after the meeting because there are some questions which I should like to take up with them, and we shall have to take decisions on at least some matters this week. Is that agreeable to the committee?

Mr. PICKERSGILL: Is this room available after 11 o'clock?

The CHAIRMAN: Yes, it is available in case we have to go on after that time. There is a film to be shown which, I understand, will last 25 minutes and ten seconds so that I hope there will not be many interruptions and that Mr. Ouimet can have the floor to himself. Is that agreed?

Some hon. MEMBERS: Agreed.

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, the corporation has always welcomed the opportunity to appear before parliamentary committees or royal commissions to explain its policies and to account for the mandate which it has received from parliament. These are the only occasions when we have to meet the representatives of our boss, parliament, to answer questions which may be in the public's mind, to clear up misunderstandings and, when found wanting, to admit the errors of our ways.

Since the national service was established in 1932, we have had 16 parliamentary committees and two royal commissions, but this year, for the first time, we shall appear before three parliamentary bodies; this committee, the Glassco commission and, I am told, the public accounts committee. No other

Canadian institution has received so much attention and, while at times, we would wish ourselves to be less conspicuous, we feel this parliamentary interest underlines the importance of the C.B.C. as an instrument of national purpose.

Mr. Chairman, part of our written submission of last December, was in the nature of a progress report on developments since the 1959 parliamentary committee, with particular reference to the recommendations of that committee. I do not intend to duplicate it in any way at this time, but, with your permission, I should like to bring out some of its highlights and to add certain general observations which may be pertinent at this time.

In these introductory remarks, I do not propose to deal specifically with the recommendations of the 1959 parliamentary committee, which I should like to leave for discussion under the appropriate sections of the agenda you have proposed.

First of all I should like to say that I am very sorry I was unable to represent the corporation before the committee in 1959. At that time you met a corporation which had just recovered from the most traumatic experiences in its history. But today we have a situation which I think is quite different. I do not know what is a state of normalcy in broadcasting, or if there is one but, if it does exist, the corporation is probably as close to it now as it ever will be so long as television maintains its strange impact on people and on their emotions. This, however, does not mean that things have been quiet. Very far from it.

Since the advent of television, the corporation at any time has been the most talked about, written about, editorialized on, for and against, praised and damned, of all Canadian institutions other than the government, regardless of party. The Press gives us a lot of attention at any time, but I am told that at parliamentary committee time, when the newspapers can blend into one their predilection for the C.B.C. and their natural proclivity for the political, then our newspaper lineage—or should I say mileage—soars to extraordinary levels. Whatever the standards of normalcy may be in other fields, those which may imply quiet contentment do not apply to broadcasting, particularly to television broadcasting. Elements of change, controversy and challenge are intrinsic to the system and these can be built up almost every day by the powerful magnifying effects of television into a first class controversy. This is inherent to the nature of the medium and to the nature and the role of the corporation.

Also inherent to the nature of the corporation, as it is to all other human institutions, is its fallibility. However, there is one big difference between the corporation and any other Canadian institution. We have no closets in which to hide our skeletons. We live in a huge glasshouse, with some 3,500,000 windows, one in practically every home in Canada, and there we are every minute of the day, with all our qualities and all our imperfections for everyone to see. As I have already said, there are times when we should like to be a little less conspicuous but, on the other hand, to the objective observer the good things we do should be as apparent as our shortcomings.

This is why I suggest that any assessment of the corporation should be made in the light of our achievements and not on the basis of the amount of controversy that the corporation may give rise to from time to time. As we say in our main submission, the staff of the corporation, day in and day out, year in and year out, compile an enviable record of public service. Every now and then there is a great temptation to overlook this service in the light of some unsuccessful program experiment, an occasional lapse, or the unavoidable reaction to the broadcast of controversial ideas—all of which seem to gain a disproportionate amount of attention. Yet, I sincerely believe that the C.B.C.'s solid core of program service, by which its worth to Canada should be meas-



ured, has been gained only by its willingness to experiment, by its continued dissatisfaction with anything second rate, and by its conviction that ideas are worth exploring.

The risk of an occasional failure is often the price of success, and this is a price which the corporation must always be willing to pay in its unceasing efforts to provide better broadcasting for Canadians.

As head of the corporation, I would say flatly that I am pleased with the general performance of the corporation over the past two years in both radio and television. But I would add that television is the youngest of all media of expression, and it will be many years before it reaches its full maturity. This is obviously true of the C.B.C., as it is true of all other television broadcasting in the world. While we have every right to marvel at the distance we have covered in the last eight and one-half years, we first have to realize that we still have a long way to go before we achieve complete mastery of the unlimited possibilities of this young, spirited and impetuous titan. In practice, this means, for the C.B.C., a willingness to experiment, to take chances on new talent, new ideas, new forms of presentation and also—and this is very important—with parliament's help, to refuse to be shackled or led astray by the exigencies of commercial arithmetic.

You will have before you our annual report for the 1959-60 fiscal year. This report gives concrete evidence of the progress we have made and of the public service we have given. However, in many respects I believe that the year we have just ended, 1960-61, will be regarded as a year of still greater achievement. If I may repeat it, the word "achievement" is a most important one, because it is the word by which the corporation should be measured and assessed.

Within the corporation we know that this is not an easy thing to do. Each one of us has his own program likes and dislikes, and broadcasting is such a personal and individual thing that it is most difficult, even for professionals, to regard it objectively and in an over-all sense.

In stating that I am generally satisfied with the performance of the corporation, may I stress again that I am most conscious of all the improvements that can be made not only in our product but also in our operations and in our administration.

The last two years have been good years for the corporation both from the program standpoint and from the point of view of our commercial revenues, —and I am including in these remarks our French network as well as our English language operations. Last year, again, we won the honours at Ohio State University for public service broadcasting, taking 18 out of the 32 awards, in competition with American networks.

Two years ago the last parliamentary committee on broadcasting urged us to be still more aggressive commercially, and we increased our commercial returns in 1959-60 to \$4,000,000 more than our estimates for that year. At the same time, we reduced our expenditures \$2,000,000 below our budget, thus ending the year with a \$6,000,000 budgetary surplus. Again, for the year just ended, we will have another budgetary surplus, although the amount will be less than last year because, both in Canada and in the United States, network broadcasters have found selling more difficult this year. And, of course, in Canada the establishment of second stations in eight of the major markets is having its effects on the commercial revenue available to the corporation.

Under these new conditions, I must express concern not only in regard to the present downward trend in our commercial revenues, but also with respect to the always present danger that commercial considerations might be allowed to come in direct conflict with our basic mandate from parliament. This is an important question of policy and, if you will permit it, I would like the opportunity to discuss it again when we review our commercial operations.

The last two years have been good years also, in the sense that they have been years of consolidation and of streamlining all our operating and administrative procedures and controls.

I must admit that we are still a bit out of breath following our explosive growth during the first six years of television in Canada, but as we shall see from charts which I would like to show you at the next meeting, the TV explosion is definitely over and we are able now to give much more attention to the consolidation and improvement of control which could not be given full effect or full development during the period of our intensive growth.

Dr. Fairfield, the provision of a national service in two languages in radio and television, over the immense territory of Canada, with its sparse population and with its seven time zones is, in itself, a very complex and extensive operation. To have to do so, in great part through private affiliates instead of through C.B.C. owned and operated stations, as is the case for any other national service in the world, and further, to have to reconcile commercial necessities with the national purpose, makes the C.B.C. unique not only as a system, but unique also in the complexities of the task it has to perform. I hope that you will keep some of these facts in mind when we come to the discussion of costs.

And, speaking of costs, I hope that I will be able to convince you, when we come to our discussion of finances, that it is absolutely inaccurate to use the word "deficit" in connection with the funds we are provided with by parliament. The corporation never has had any significant budgetary deficit, and the amounts it has received from the public have been voted by parliament in payment for services rendered, services which could not be provided in any other way.

The corporation is not a badly managed commercial enterprise in need of a handout from the government; it is a public institution supported basically from public funds, but one which fortunately can reduce by an appreciable extent, through commercial operations, the amount required from the public purse.

In a few minutes I will show you some maps which will give you an idea of the physical development of the C.B.C. service across the country. But more important still are the intangibles, the programming services of the corporation: in English, in French; in radio, in television; national, regional and local programs—up to 17 hours a day, every day in the year.

Programs are the *raison d'être* of the C.B.C., and last year, C.B.C. facilities broadcast over 100,000 of these individual programs.

If we had an assembly line, that figure might not be impressive. But programs are not produced like shoes. Each of them is a custom-made, hand-tailored creation intended for a specific audience.

The gamut of C.B.C. programs encompasses the whole range of human interest from sports to philosophy, from opera to westerns.

It is perhaps not realized that, because of our two languages, and the different requirements of our various regions, our national program output in hours or in numbers is, I believe, greater than that of any other broadcasting organization in the world, including the B.B.C. in England, which is, to the best of my knowledge, the largest broadcasting organization from the point of view of staff and facilities.

Our program output is of course considerably greater than that of the American networks—N.B.C., A.B.C. and C.B.S.; again because of our two languages and also because of our large regional and local production. I am comparing here the number and hours of program production, and not costs. Our C.B.C. costs are only a fraction of the American costs and less than B.B.C. figures.



These facts, Mr. Chairman, give you a broad idea of the corporation and of its output from a quantitative standpoint. I wish it were possible to provide you with an equally simple progress report on the quality of our work.

Here, we enter the area of personal tastes and subjective opinion. This much, however, I can say.

The French television network of the corporation not only constitutes what we call in French "un tour de force", an extraordinary feat, for a population of less than six million, culturally isolated amongst an English-speaking population of 190 million, but it is recognized, even in France, as the No. 1 French network in the world, for the variety, scope, scale and quality of its productions.

As to our English-language program services, both radio and television, I will simply repeat that, last year at the Ohio State University competition for public service broadcasting, the corporation won more awards than the three American networks won altogether. And I should add that I sincerely believe that, all in all, this is our best year yet for the quality and depth of our Canadian English language productions.

And now, Mr. Chairman, I would like to show you a few maps which, I hope, will give you a broad perspective of the physical development of the national service linking the whole country together as an instrument of national consciousness and unity.

After that, to complete my report, I would like to present a 25-minute film montage we have put together rather hurriedly to illustrate the range of our programming activities. It is simply not possible to condense some 40,000 to 50,000 hours of programming a year into a half-hour, and this film will be a very inadequate sample of our wares. In the first place, there will be no radio, just television, no local or regional programs, just network programs, and just enough French to remind you that, unlike the British and the Americans, we have to do everything twice and differently. This is putting it very badly, and I should say that the corporation has double the satisfaction and double the challenge in serving not one but two cultures.

And now, Mr. Chairman, with your permission, I would like to move to the other end of the room and carry on from there.

I have six maps showing different components of the national service superimposed on the same basic geographical outline of Canada. It may be well to pause a minute to consider rapidly the fundamental geographical and cultural problems which face the corporation in the provision of the national service.

Firstly, we have an extremely large territory. Canada is the third largest country in the world after Russia and China. We have seven of the world's twenty-four time zones, and when it is three o'clock in the Yukon, it is four o'clock in British Columbia, five o'clock in Alberta and Saskatchewan, six o'clock in Manitoba, seven o'clock in Ontario and Quebec, and eight o'clock in the maritimes and already eight-thirty in Newfoundland.

Secondly, we have a relatively small population—18 million people—distributed across vast distances, which means that our population density is one of the lowest of any civilized country.

Thirdly, there are two languages: about 12 million English-speaking Canadians and 6 million French-speaking Canadians.

Below our southern border, although it is not shown here at all, is our best friend, the most powerful nation in the world, the United States, with 180 million people and with a well developed and wealthy broadcasting system.

It is the job of the C.B.C., with the help of public funds and with the assistance of its private affiliates, to link the country together from east to west and to counter the pressures which always come from the south.



It has been recognized by royal commissions and parliamentary committees that without the C.B.C. as the dominant factor in Canadian broadcasting, radio and television would be used mainly to provide additional channels of communication from the south into Canada, instead of providing the link that we have now with our radio and T.V. networks and which unite Canada.

The provision of the national broadcasting service involves the setting up of production centres; it involves the operation of networks and the distribution of programs and their transmission over stations. The C.B.C. generally produces the programs, the C.B.C. distributes the programs, but when it comes to the transmission, we have in television only about 25 per cent of the outlets that we need to do the job. In the case of radio the percentage is somewhat higher. As you can see, the national service pools together the private and public resources of the country and the combination is a rather intricate set-up, as I believe the maps will illustrate. There are other private stations in Canada not connected with the C.B.C. They operate separately and they are not shown on this map or on the other maps that will follow.

This first map shows the television stations owned by the C.B.C. There are fourteen of them at the moment, ten broadcasting in the English language and shown by the large red stars, while the large blue stars show the four stations broadcasting in the French language. There are also eight low-power satellites and three relay transmitters. These are shown by the small stars. The privately-owned stations on our networks—and there are 77 of them—are needed to complete our coverage in areas where there are gaps. They are not shown on this map and will be shown on the next one which we will refer to as map No. 2.

This shows the television networks of the corporation. These networks link 102 stations, 25 of which are C.B.C. owned and 77 privately owned. Again, the English language stations are shown in red and the French language stations are shown in blue. The C.B.C. stations are shown by stars of various sizes and the privately-owned affiliates by circles for regular stations and triangles for satellites.

The English language network which links the country from Victoria to St. John's, Newfoundland, is the longest television network in the world. It measures some 4,000 miles. The French network stretches from Sturgeon Falls in Ontario to Moncton in New Brunswick. There are 22 stations on the French network and 79 stations on the English network. In total, 94 per cent of the population of Canada is within the reach of the signals of 102 stations.

This map, which we shall refer to as map No. 3, shows the location of C.B.C. radio stations, those owned by the corporation. There are 30 of them shown by the larger stars—the red stars again representing English and the blue representing the French. There are four French stations and 26 English. In addition, the small stars represent the low-power relay transmitters of the corporation. These transmitters are used to cover difficult areas in mountainous regions or isolated communities. You will see how many we have in central British Columbia where the topography is so difficult and also in northern Ontario where the communities are so isolated.

But, as in the case of television, this group of C.B.C. stations is not adequate to cover the whole country and we depend on a large number of privately-owned affiliates to assist us in doing the job. There are 79 English language radio affiliates and 23 French language affiliates. These will be shown on the next map.

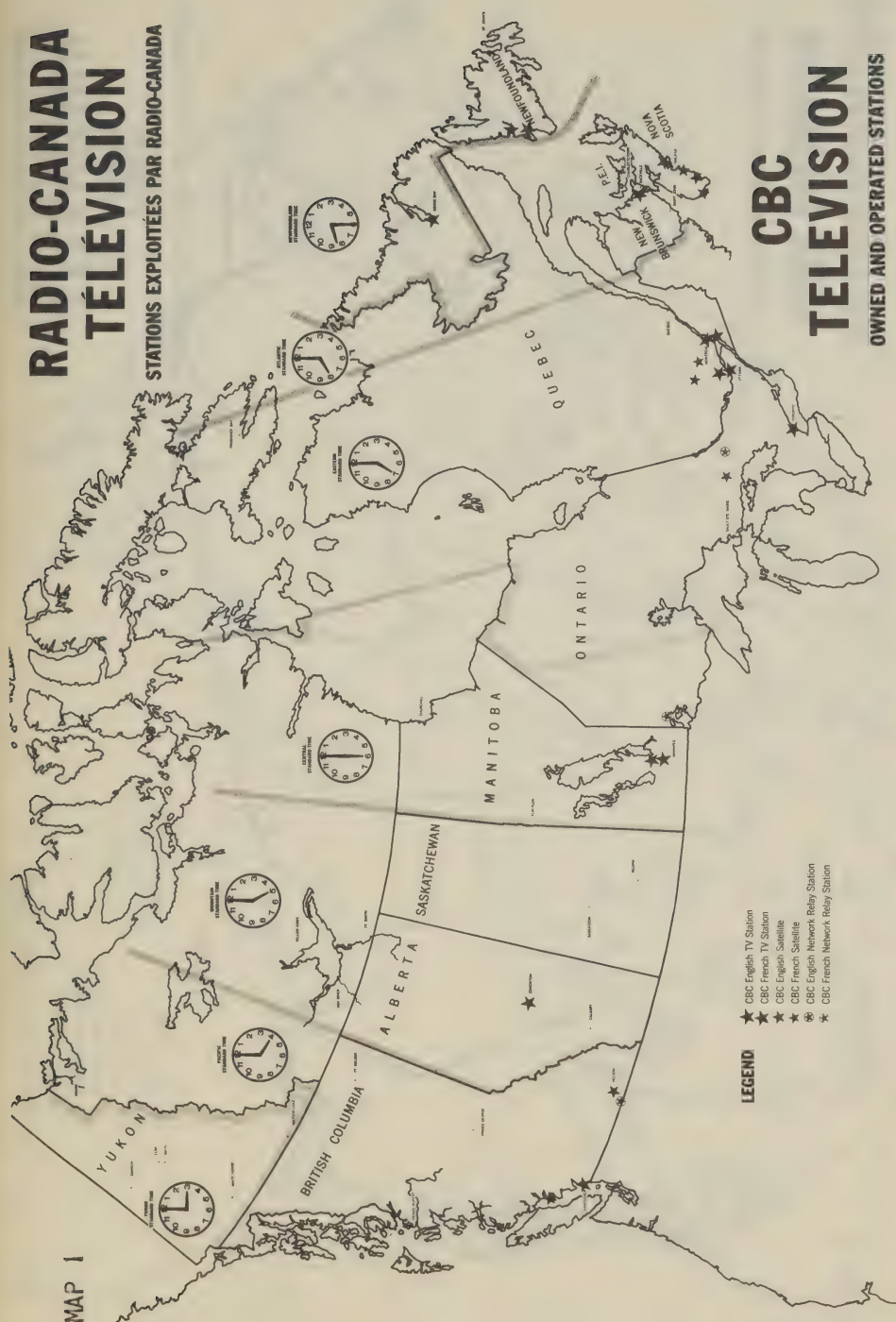
This map to which we shall refer as map No. 4 shows the northern service of the corporation. Most of what you see on this map is relatively recent. First of all I should explain that this mauve area which you see here, and which covers the whole north, represents the shortwave transmissions which we beam

# RADIO-CANADA TÉLÉVISION

STATIONS EXPLOITÉES PAR RADIO-CANADA

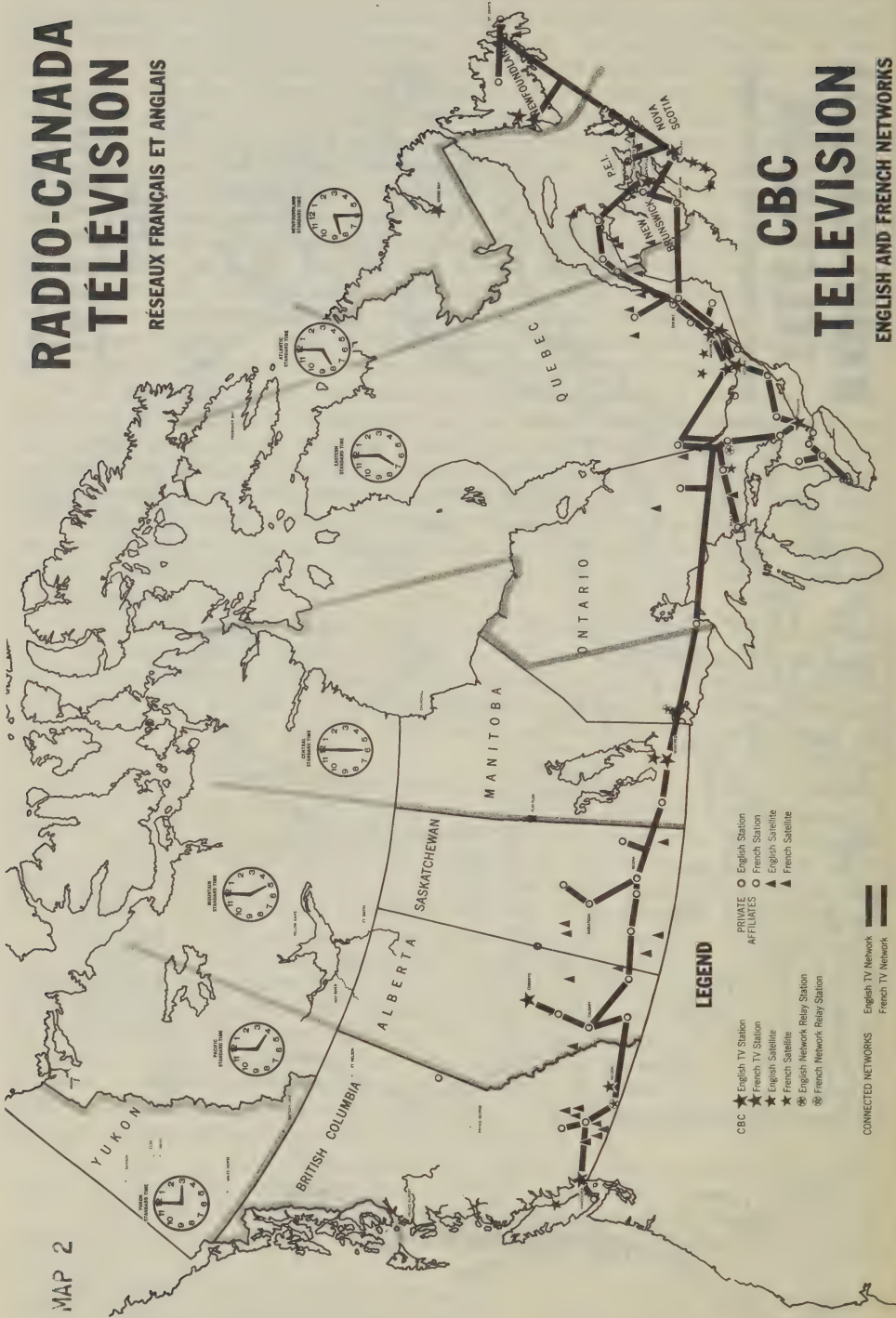
# CBC TELEVISION

OWNED AND OPERATED STATIONS



**RADIO-CANADA  
TÉLÉVISION**  
RÉSEAUX FRANÇAIS ET ANGLAIS

**CBC  
TELEVISION**  
ENGLISH AND FRENCH NETWORKS





# RADIO-CANADA RADIO

STATIONS ET ÉMETTEURS DE BASSE  
PUISSANCE EXPLOITÉS PAR RADIO-CANADA

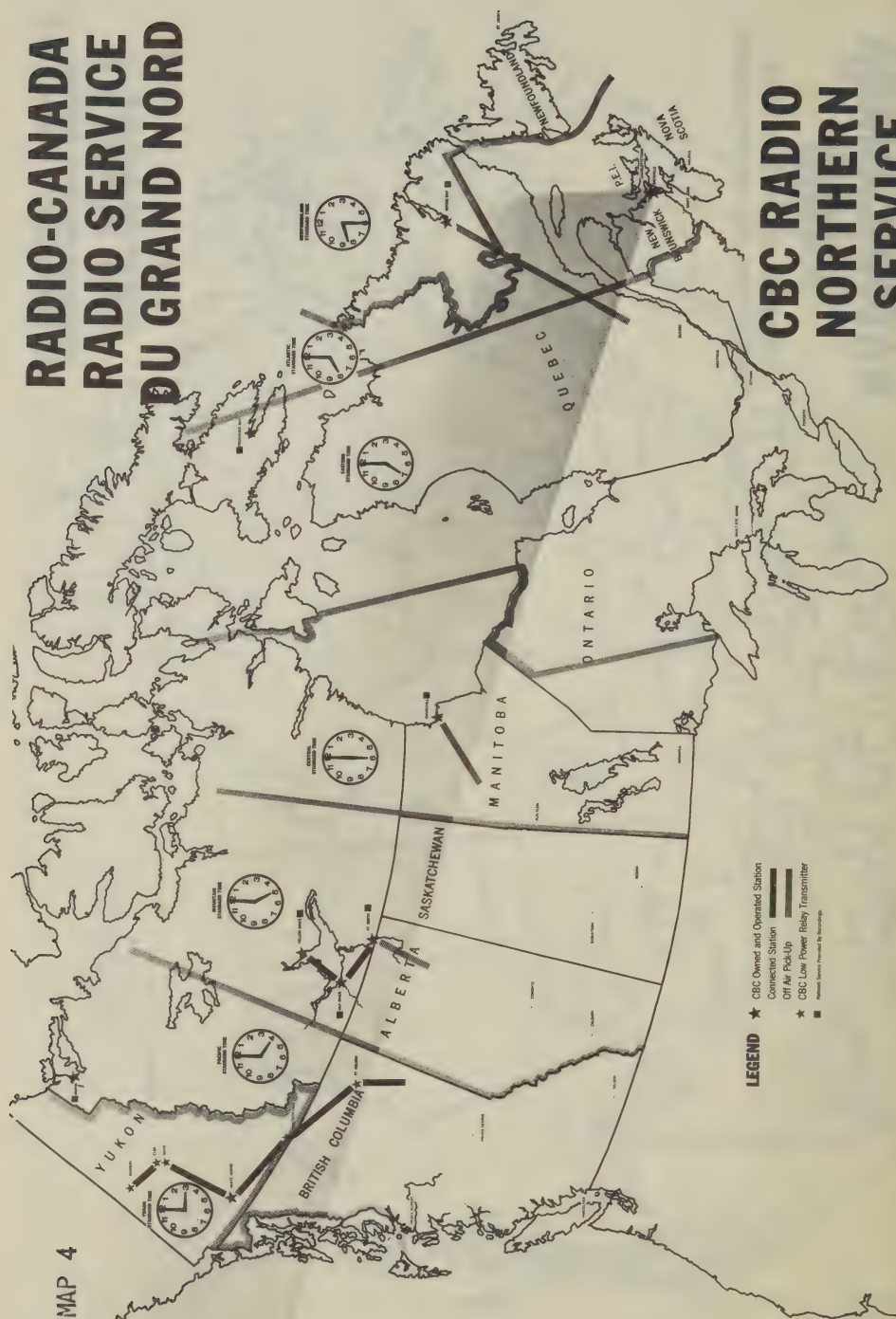
**CBC RADIO**  
OWNED AND OPERATED STATIONS  
AND LOW POWER RELAY TRANSMITTERS



MAP 3

# RADIO-CANADA RADIO SERVICE DU GRAND NORD

# CBC RADIO NORTHERN SERVICE



every evening from Sackville to cover the north in a general way, because it is impossible to have a sufficient number of individual transmitters to cover all the little isolated communities.

In addition to short wave we have thirteen transmitters or stations. The most northerly one is Inuvik; we have them also at Frobisher, then at Dawson, Elsa, Mayo, Whitehorse, Fort Nelson, Yellowknife, Hay River, Fort Smith, Churchill, and Goose Bay. Some of them are actually linked with the trans-Canada network by wire lines. Others will be linked together very soon, but will be fed from the air by picking up some of the signals of our regular stations. This also is the case for Churchill and Goose Bay, and the shortwave is always available for the same purpose.

This map to which we shall refer as map No. 5 shows the radio networks of the national service. If it looks a little complicated it is because there are a number of networks and of course a great number of stations. We operate four separate radio networks which link together 220 different stations. Of these 102 are private affiliates, 30 are regular C.B.C. stations and 88 are low power relay transmitters operated by the C.B.C. First there is the trans-Canada network shown in red which starts from Dawson and Victoria and reaches right across the country to St. John's, Newfoundland. This is an English speaking network.

The green line here is the Dominion network, with 50 stations another trans-continental English language network. The French network is shown in blue, starting from Edmonton and linking the French language communities right to the south of Nova Scotia. In addition there is the experimental bilingual FM network which links Toronto, Ottawa and Montreal. This network has been operating only for about twelve months. We are experimenting with it in anticipation of the rapid development which we expect in the foreseeable future in the field of FM and stereo.

This map which will be map No. 6 shows how the whole thing looks on one map; that is, this is the whole national service of Canada. Each network, each language, each station is indicated with the same symbols we used on the previous maps.

Let me summarize again what we have here. There are two television networks, the English language from Victoria up to St. John's and the French language from Sturgeon Falls to Moncton. I forgot to mention our French language station in Winnipeg is fed by means of recording, and the English language network feeds Dawson Creek similarly. In radio we have the Trans-Canada network from coast to coast; the Dominion network also from coast to coast, the French network which covers all the provinces except two, and the bilingual FM network. There is, the northern shortwave service and the regular service to the north through regular transmitters.

In all there are 327 individual stations participating in the distribution of the national service. There are 266 for the English language and 61 for the French language; 143 of these stations are owned by the corporation, including the 88 small low power relay transmitters. One hundred and eighty-four are owned by the private affiliates.

This, however, is not quite the whole picture. This overlay indicates that we have offices in London, Paris and New York. These offices feed us with programs in French and English for radio and television in our various services across the country. In addition we have program exchanges with Great Britain, France, the United States, Australia, and of course with many other countries.

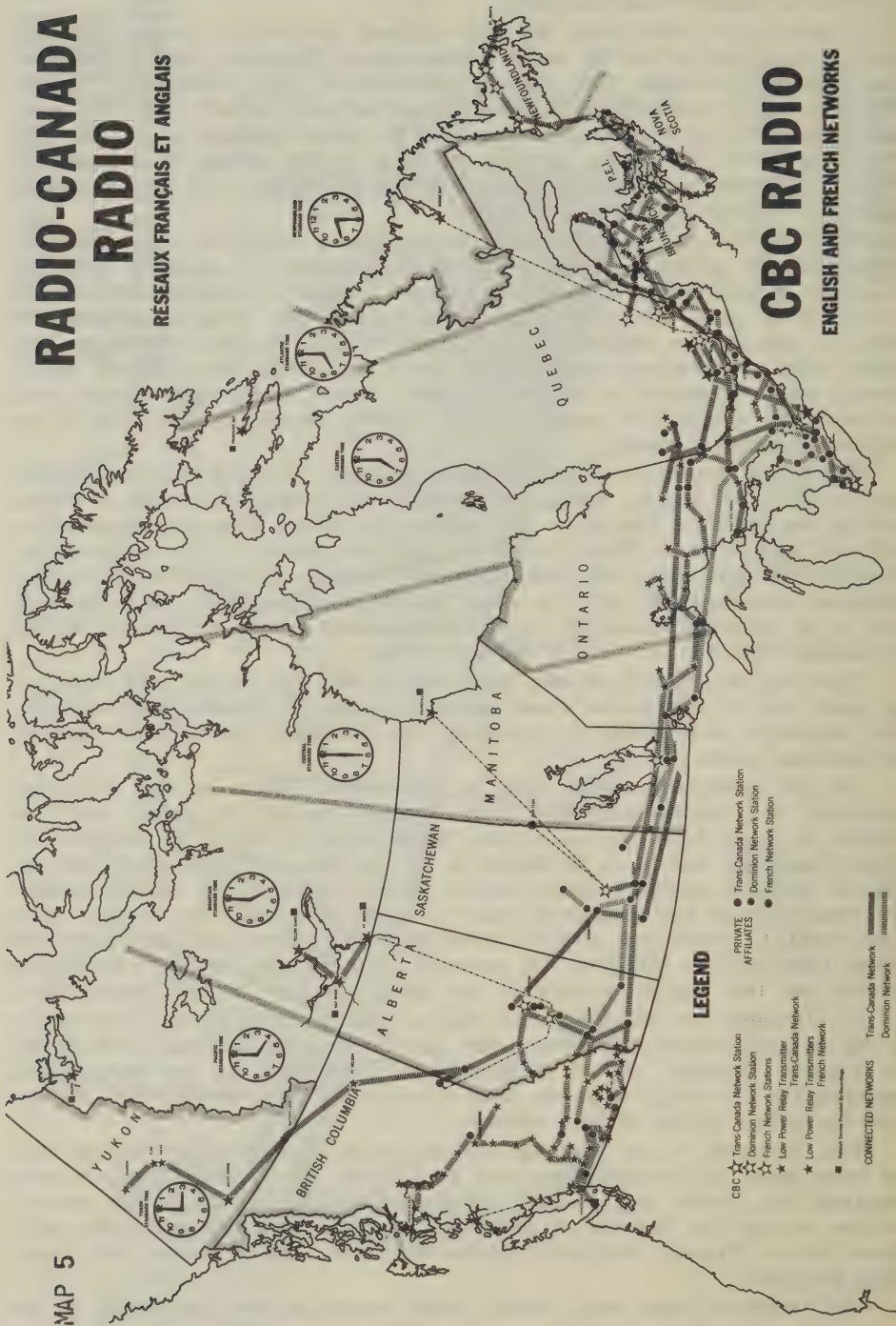
Not indicated here, but I think quite interesting and important, is the fact that we provide a complete service of programs to our armed forces in Germany and in France.



# RADIO-CANADA RADIO

RÉSEAUX FRANÇAIS ET ANGLAIS

# CBC RADIO ENGLISH AND FRENCH NETWORKS



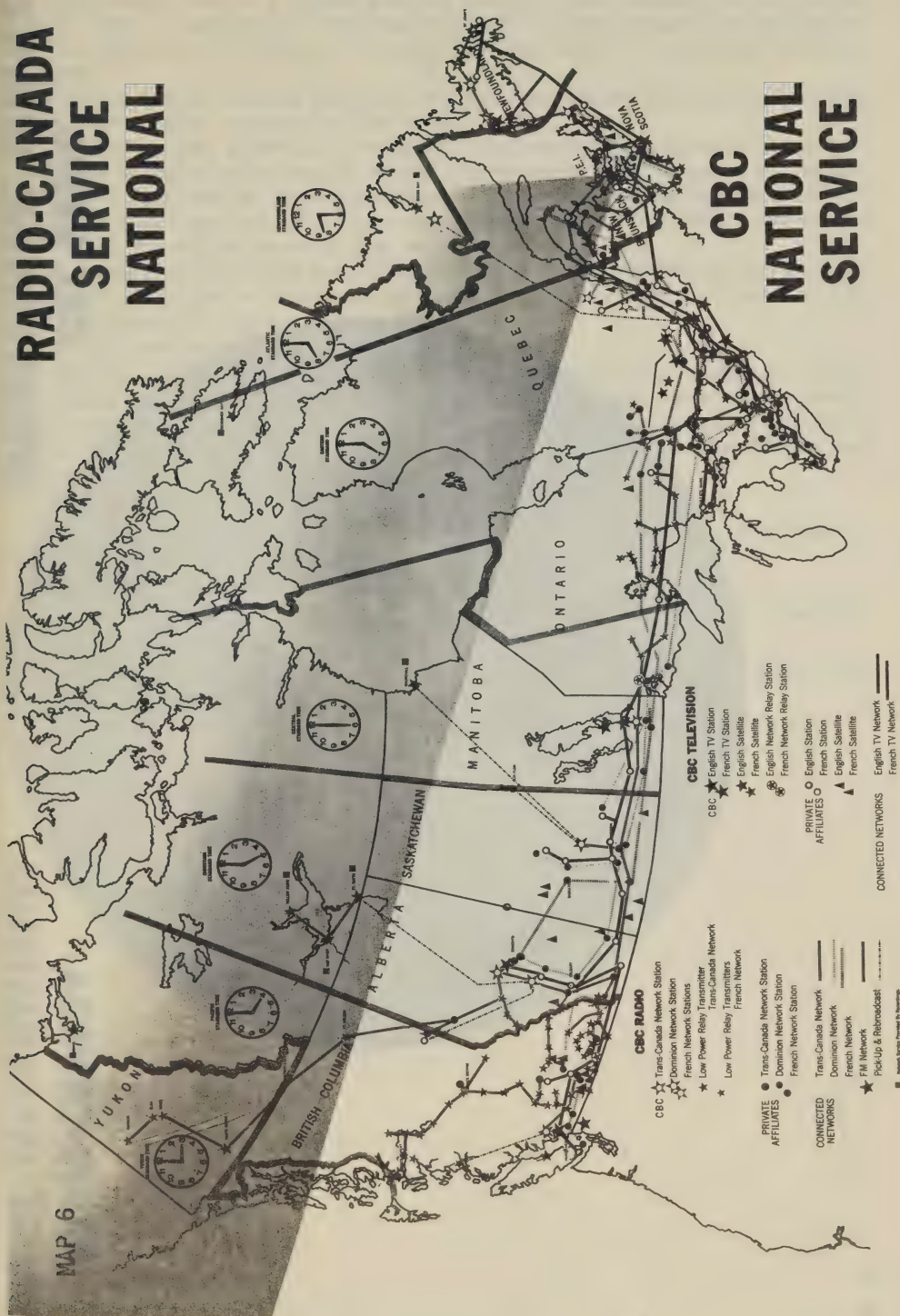
MAP 5

## LEGEND

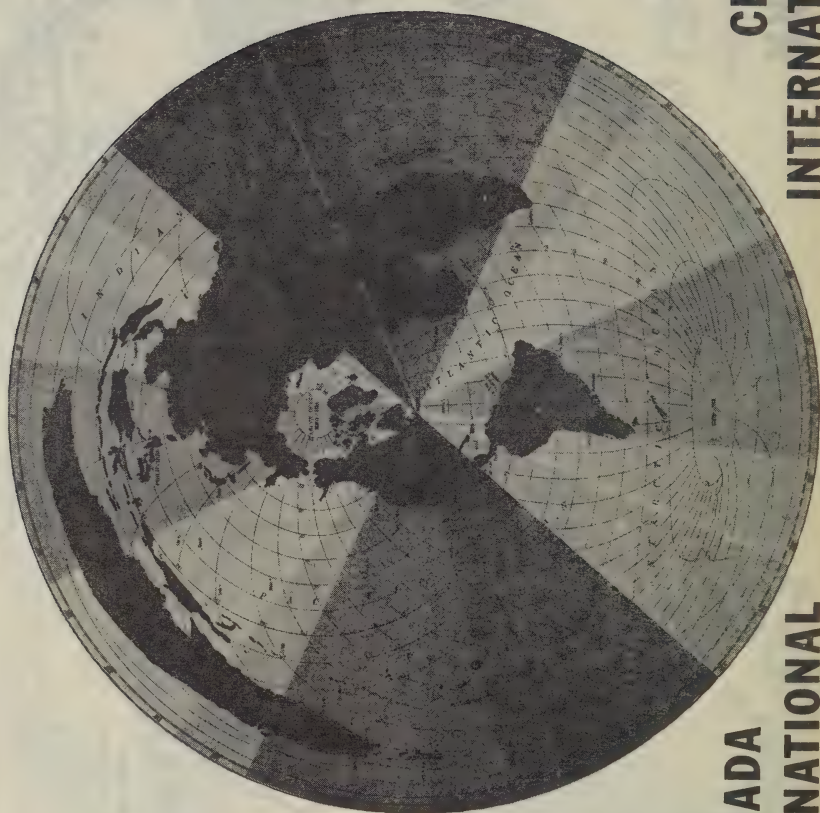
- PRIVATE**
  - Trans-Canada Network Station
  - Dominion Network Station
  - French Network Station
- AFFILIATES**
  - Low Power Relay Transmitter
  - Trans-Canada Network
  - Low Power Relay Transmitters
  - French Network
- CONNECTED NETWORKS**
  - Trans-Canada Network
  - Dominion Network
  - French Network
  - FM Network

# RADIO-CANADA SERVICE NATIONAL

# CBC NATIONAL SERVICE



MAP 7



**RADIO-CANADA  
SERVICE INTERNATIONAL**

**CBC RADIO  
INTERNATIONAL SERVICE**



Gentlemen, this is a rather hurried sketch of the national service of the C.B.C. Now I would like to mention briefly the international service, but we will not have time to discuss in detail the map which I will show you in a moment.

This is just to remind you that we also operate an international service which serves most countries of the world.

This gives you a sketchy perspective of some of the physical dimensions and some of the tangible aspects of the corporation's work in radio and television. As I said before, more important still are the intangibles, the 100,000 programs which we transmit every year. We will try to illustrate those by the film which we will be showing you in a few minutes.

I am sure you probably feel that this is all quite impressive; but what about the cost? Well, this is the simplest aspect of our operation to illustrate. The cost is one cent per day per person in Canada.

Thank you very much.

The CHAIRMAN: The committee will have these maps distributed on Thursday. The C.B.C. will make them available to you. Perhaps, however, we should have them included in the minutes of proceedings. They will not appear in colour. Is it agreed these be included in the minutes of proceedings and evidence?

Agreed.

The CHAIRMAN: Now, Mr. Ouimet, I understand you have a motion picture which you would like to show at this time.

Mr. OUMET: Yes.

(Motion picture shown to the members of the committee and at its conclusion).

The CHAIRMAN: That concludes the meeting for today. We will meet again Thursday morning at 9.30, in the same room.

I would ask members of the subcommittee to remain for a meeting.

—The Committee adjourned.



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

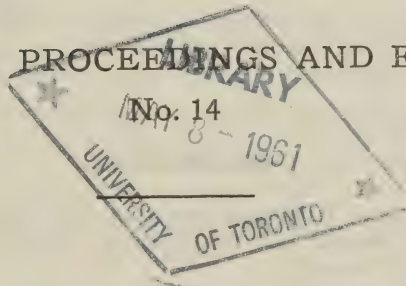
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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE



THURSDAY, APRIL 13, 1961

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WITNESS:

Mr. Alponse Ouimet, President, Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Fortin	Morissette
Allmark	Horner ( <i>Acadia</i> )	Pickersgill
Baldwin	Keays	Pratt
Bourbonnais	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Simcoe North</i> )
Fisher	McQuillan	Tremblay
Forgie	Mitchell	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## CORRECTIONS

1. PAGE 241—about half way down in the answer by CAPTAIN W. E. S. BRIGGS, second last line thereof, insert the word “not” between “would” and “want”.
2. PAGE 265—in last line at bottom thereof, delete \$50 and substitute therefor \$500.

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.  
THURSDAY, April 13, 1961.  
(15)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Baldwin, Caron, Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Keays, Lambert, Macdonnell (*Greenwood*), McGrath, Regnier, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Webb.—(17).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Colonel René P. Landry, Vice-President and Assistant to President; Mr. Marcel Carter, Vice-President, Administration; Mr. Ronald Fraser, Vice-President, Corporate Affairs; Mr. J. P. Gilmore, Vice-President, Engineering and Operations; Mr. Victor F. Davies, Comptroller; Mr. H. G. Walker, General Manager, Networks Broadcasting, (*English*); Mr. Charles Jennings, General Manager, Regional Broadcasting; Mr. Marcel Ouimet, General Manager, Networks Broadcasting (*French*); Mr. Charles Delafield, Director of International Service; Mr. Barry MacDonald, Director, Policy Section, Corporate Affairs.

As the proceedings opened the Chairman gave a brief report of decisions and recommendations by the Subcommittee on Agenda and Procedure, which were unanimously agreed to.

The Chairman read into the record an answer by the Canadian Broadcasting Corporation to a question by Mr. Smith (*Simcoe North*), on Tuesday, March 14th. (*See page 235 and beginning of today's Evidence*).

He informed the Committee that an answer to a question by Mr. McCleave on Tuesday, March 14th, (*page 250*), was now being filed by the Canadian Broadcasting Corporation. It was agreed to have said answer appended to the record of today's proceedings. (*See Appendix "A"*).

Mr. Alphonse Ouimet was recalled. The witness introduced in turn each official of the Corporation in attendance.

Following this, Mr. Ouimet and Captain Briggs were allowed to make corrections in the report of the evidence of previous sittings. (*See CORRECTIONS on back of cover*).

Mr. Alphonse Ouimet resumed from Tuesday, April 11th, his adjourned review of the operations of the Canadian Broadcasting Corporation. To illustrate his remarks two charts, describing certain chains of command, were displayed by the witness for the benefit of the Members.

On motion of Mr. Lambert, it was ordered that the said charts be printed into the record of today's proceedings. (*See Appendices "B" and "C"*).

And the presentation of Mr. Ouimet still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Tuesday, April 18th, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

WEDNESDAY, April 13, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, ladies and gentlemen. We now have a quorum and the meeting will come to order.

After our meeting last Tuesday we had a subcommittee meeting and the C.B.C. have notified us they will be unable to be here during the week of the 24th. It was suggested by some members of the subcommittee, and I think we agreed to it, that during that week we would have two sessions in camera to go over the evidence which has been given so far and which is related to the act, and that we would make recommendations, if any, on amendments to the act. The subcommittee have agreed this would be a good procedure. Does the committee itself feel that it agrees with this proposal?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: At our meeting on March 14 Mr. H. E. Smith (Simcoe North) requested a return showing the numbers of C.B.C. staff engaged in (a) production and (b) transmission of programs for the least three years. We have an answer from Mr. Barry MacDonald, director, policy section, corporate affairs of the C.B.C., which states:

Our records indicate that the numbers of program staff amounted to 2,781 at March 31, 1959, to 2,725 at March 31, 1960 and to 2,818 at December 31, 1960 (the last date for which figures are available). The numbers of technical staff on the same dates were 1,842, 1,789 and 1,831 respectively.

On March 14, Mr. McCleave asked for a return showing a list of property leases, either purchases or leases, acquired by the C.B.C. over the last two years by authority of order in council. Mr. MacDonald has submitted that information in 50 copies, and it can be included as an appendix to the records of our meeting, if that is agreeable.

Some hon. MEMBERS: Agreed.

(See Appendix A)

The CHAIRMAN: At our last meeting we had a statement from the president of the C.B.C. and he would like to make a couple of corrections before proceeding to the second part of our agenda, "Organization, Administration and Personnel". He has also brought with him today some of the officials of the C.B.C. and I would ask him to introduce them now.

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, ladies and gentlemen, you have already met our vice-president, Captain Briggs. Though he was appointed to the vice-presidency only a year and three months ago, he has spent 26 years in broadcasting, 24 of those with the C.B.C.

Now, coming to the other members of our senior management team, I should like to introduce them to you in the order in which their particular functions are shown on this chart (see Appendix B). The first is Colonel Landry, vice-president and assistant to the president, who has been in national broadcasting for 28 years. Then there is the vice-president of administration, Mr. Marcel Carter, who will assist me this morning in dealing with this particular item on our agenda. He has been with the corporation 17 years. Our

vice-president of programming is not here this morning as he is in Lisbon attending a meeting. He is relatively new to the C.B.C., having been with us only 11 years. Ronald Fraser, our vice-president of corporate affairs, has been with us for 18 years and, before that, he spent nine years in private broadcasting.

James Gilmore, our vice-president of engineering and operations, has had 23 years of experience in broadcasting, of which 20 years have been with the C.B.C. Our controller, Victor Davies, you can all see is the youngest member of our senior team. He has been with us only three and a half years; perhaps that is why he looks young.

The general manager of our English network broadcasting division is H. G. Walker, who has had 31 years in broadcasting, 26 with the C.B.C. Next comes the dean of our team, the general manager of regional broadcasting, Charles Jennings, who has spent 33 years in broadcasting, 26 of them with the corporation. Marcel Ouimet, who is general manager of our French network broadcasting division, has been with us only 22 years. Finally, the director of our international service, Charles Delafield, has served 23 years with the corporation.

I do not know whether you have totalled the figures but, together with the years the president has served with the national service, our senior management team totals something like 250 years in national broadcasting. Of course, you may draw all the conclusions you like from that statement, but I am sure it indicates one thing which is certain, and that is that we like our work, and also that we are not as young as we used to be.

On the other hand, I think we can say that we have had certain experience in our profession, and I hope we have gained a certain maturity.

Mr. Chairman, we have two corrections to make. I have one on page 265 of the record, in the very last line on that page. That line reads:

We all know that by the time it gets to \$50 per home it may perhaps be too costly.

The figure I quoted was \$500. Captain Briggs also has a correction.

Captain W. E. S. BRIGGS (*Vice-President, Canadian Broadcasting Corporation*): On page 241 of No. 9 of the proceedings of Tuesday, March 14, in the middle of the page I am quoted as saying:

One of the reasons for doing it in two ways is that we would want to be transferring a very junior person plus his family all the way from Halifax to Vancouver.

That should read:

—we would not want...

And I might say in that regard I was referring to postings on a national and regional basis. There is, of course, a third way, which I did not mention at the time, which is posting on a purely local basis.

The CHAIRMAN: Would you like to continue, Mr. Ouimet?

Mr. OUIMET: The first item on the agenda that you have proposed is "Organization, Administration and Personnel", and this begins with organization charts dealing with the basic structure of the C.B.C. With your permission I should like to use this chart (*see Appendix B*) to illustrate the form of organization we have.

You will recall that in the recommendations of the 1959 parliamentary committee on broadcasting a considerable amount of attention was devoted to the organizational structure of the corporation, to the lines of authority and to questions of management, control, and other related subjects. These are all matters to which we gave immediate attention, and upon my return from sick leave, in the fall of 1959, certain changes in our organization were immediately put into effect. I shall outline what these changes are later on but,



for the moment, I think I should start with an explanation of the present organizational structure of the corporation. I say "present" because organization is not a static condition. It is a dynamic process and it has to be adapted to changing conditions and to the growth of a company or an institution such as ours. The present organization is on orthodox lines and is generally similar to the basic organization of other companies of our size with the same kind of responsibilities that we have; that is, with decentralized operations across the country.

The corporation is made up of operating departments which are shown at the bottom of the chart, and also of functional departments which are shown here on this line.

To use a military term, we could say that the corporation is organized on a line and staff basis. But I should immediately add that in modern organization language these words are not used as much as they used to be, for the good reason that they have caused a great deal of bad feeling. So today we talk about functional departments and operating departments.

Now, the highest authority in the corporation is the board of directors. It is composed of eleven members, including the president and the vice-president who are the chief executive officers of the corporation.

The board of directors of the corporation is very similar, in nearly every respect, to the board of directors of other large organizations; but there is one fundamental difference and that is that, while the board of directors of an industrial organization is responsible to its shareholders, in our particular case, since we have 18 million shareholders, our board of directors is responsible to their elected representatives, to parliament itself.

Now, the board, as in all other organizations, is responsible for the policies and the major decisions of the corporation. Under the direction of the board are the president and the vice-president. These two senior officers together discharge what is called the chief executive and the chief operating functions, as shown on this chart.

The reason why these two are separated here is to indicate that the vice-president assists the president by assuming the responsibility for the current operations of the corporation, while the president gives most of his attention to questions of long-term planning, to questions of policy, to the leadership of the corporation in general, and to representing the corporation outside.

Now, this very heavy line here is what is called, in military terms, the line of command, so that the authority is delegated from the chief executive officers to the operating heads of the corporation.

We have four operating divisions in the corporation: the international service, the English network broadcasting division, the regional broadcasting division, and the French network broadcasting division.

Each one of these divisions is headed either by a general manager or, in the case of the international service, by a director.

The director of the international service is located in Montreal; but in the case of the three major national divisions, the general managers are located in Ottawa. This is an important point.

It would be helpful at this time to indicate to you the relative size of these operating divisions. I believe that the staff of the international service is of the order of 150. The English language network division staff is roughly 2,300; the regional broadcasting division staff is about 1,800 to 1,900, and the French network broadcasting division staff, I believe, is 2,400. So most of the staff of the corporation is located in these operating divisions.

At this point I should say that the general managers are responsible for all the activities that go on in their divisions; that is, they are responsible for all program production, and any other related activities.



Of course, they have to operate within the established policies and in accordance with the standards and procedures of the corporation. But let me repeat that the three general managers, and the director of the international service report to the vice-president on matters of current operations, and to me on matters of long-term planning, policy, and so forth.

I shall return to the operating divisions in a moment; but first I would like to describe to you our functional departments.

The departments which are shown here immediately below the chief executive and chief operating functions are headed by a vice-president or by the comptroller.

These officers are responsible for the provision of expert and effective advice and services to all levels of management, including the chief executive and the general managers.

To over-simplify a little, we might say that the general managers are the arms of management, and that the vice-presidents and the comptroller are the brains of management. I hope I will not hurt anyone's feelings by this very over-simplified statement.

We expect both our general managers and our vice-presidents to have a reasonable amount not only of brains but also of arms.

The vice-presidents and the comptroller are responsible for long-term planning and development; for the formulation of policy, which has to be approved higher up, of standards and of objectives; and for the systematic assessment of all activities of the corporation against these objectives, policies and standards.

Let me repeat that this form of organization is very much the same as you find in other large corporations. Very frequently though, as I believe I have said before, the responsibilities of the vice-presidents would be referred to in other organizations as those of functional supervision. And at this point I think I should explain what our functional departments do.

Obviously the comptroller is concerned with the field of finance and budgeting. The vice-president of corporate affairs is concerned with the relations of the corporation with its affiliates, the co-ordination of information required by government departments and parliamentary committees, relations with the board of broadcast governors, the provision of information internally and to the press, and with staff work necessary in connection with the over-all policies of the corporation.

The vice-president of engineering and operations is concerned with all engineering projects, the construction of new studios or new transmitters, and with all the physical aspects of our operations and production.

The vice-president of programming, on the other hand is concerned with the program content of our productions, and also with the sale of our programs.

Our vice-president of administration is concerned with questions of administration, organization, personnel, industrial relations and management services.

Here on the chart we indicate there are committees of the board. There are three of them; the executive committee, the program committee and the finance committee. Also we have a fairly large number of management committees. I would like to name only the most important. We have the program council, the budget committee, the policy co-ordination committee, the network affiliation committee, the coverage administration and development committee, the management committee on appointments and job evaluation, the network advisory committee, and the pension committee.

I believe I should explain in a little further detail the area of responsibility of the three operating divisions.

Mr. MACDONNELL: May I ask one question, Mr. Chairman. Are these committees which you have listed committees of the board?

Mr. OUMET: The last ones I named are committees of management.

Mr. MACDONNELL: You mentioned about ten.

Mr. OUMET: Those are management committees. The board has three committees which were the first three I mentioned.

I have already described to you the operating responsibilities of each general manager. I would like to indicate now the geographical limits of his responsibilities. The general manager of English network broadcasting is responsible for all activities on the English network and for the operation of our radio and television stations in the Toronto area. The general manager of regional broadcasting has a number of operating regions under him—Newfoundland, the maritime provinces, the prairie provinces and British Columbia, and the Ottawa area and Windsor. In addition he is responsible for the northern service and the provision of programs to our armed forces overseas. He has the additional responsibility for our New York, London, Paris and Washington offices.

The general manager of network broadcasting, French, is responsible for all broadcasting on the French network and also for the operation of all the radio and television stations of the C.B.C. in the province of Quebec.

Later on this morning, if it is your wish, I can show you the organization of one of these divisions. I believe the French network division would be the most appropriate one to show you because of the interest which the 1959 parliamentary committee took in its organization.

Mr. LAMBERT: Mr. Chairman, at this point would it be possible to have a copy of this chart inserted in the minutes of proceedings and evidence so that anyone reading the evidence would have it before him for reference.

Mr. OUMET: This has been arranged. Also we have copies for distribution to you at the end of this morning's session. There will be copies for the secretary to include in the minutes.

The CHAIRMAN: Is it agreeable to the committee that this be included in the minutes?

Agreed.

(See Appendix C).

Mr. OUMET: At this point I think I should indicate to you what changes are to be found in this present organization as compared with the organization we had in 1959. The most important change is the appointment of the three general managers; that is, the division of all our national operations into three approximately equal groups each headed by a senior officer located in Ottawa. Of course the appointment of a general manager of regional broadcasting made it possible to group eight separate operating functions under one head. Prior to this change in organization each one of the directors of these various regions and areas reported to the chief executive directly, which meant that the number of persons reporting to the chief executive was too large to enable him to give adequate attention to all their problems.

When we changed the organization in the fall of 1959, administration and finance were combined under one vice-president, Mr. Carter; but the experience of the last two years has shown that this was too much for one man to handle. Now we have separated the two functions. Therefore, we have the vice-president of administration, and we have the comptroller now reporting directly to the chief executive officers.

At this time I think I should tell you that I believe the organization has been working very well, although it has been in operation for less than two years. I am very gratified with the results we have obtained, particularly the cohesion and spirit of co-operation which mark all the deliberations of the senior management team.



I would like to stress here that this is a simple organization; it is not complex; it is orthodox; it is standard. The line of authority is clear and there is no duplication. There is no confusion; there is no multiplicity of authority. I believe we have achieved what the 1959 parliamentary committee recommended, which was to ensure Ottawa headquarters' control over operations and to make sure that the Ottawa head office had the responsibility and the authority for all the activities of the corporation. This was done particularly by the appointment of the three general managers who not only head their respective divisions, but also serve as a necessary link between field operations and the head office functional departments and the chief executive.

Mr. CHOWN: Mr. Chairman, may I ask one question. There is no apparent link between the executive officers and these regional general managers by way of a chain of command. In other words, for example, the executive officer in charge of programming is not shown as part of the chain of command to a point where he can supervise these general managers. He does not have any apparent authority over them. Is that correct?

Mr. OUMET: This is not entirely correct, but is partly correct. The vice-presidents, the officers to whom I referred as the heads of functional departments, have the responsibility in the first place for all the planning of the corporation for their particular function, for the formulation and development of policy for approval by the board or by the chief executive, for the assessment of the work of the operating divisions against these policies and standards, and also for the provision of the services which the operating heads and the chief executive require.

Actually the responsibility for the production of a program is that of the general manager of the area concerned; he is responsible to the vice-president of the corporation for this. He has to operate effectively; he has to produce his program within the policies, the standards, and the over-all plans established by the functional officers.

You can ask the same question for any one of the functions we have. You could say, for example, what is the control by the comptroller of operations in the field? Obviously, the chief accountants in the field are responsible to their managers in the field. On the other hand, they have to provide their accounting reports in the form prescribed by the policies and standards of the corporation, and these are formulated by the comptroller.

In effect, however, this distinction we are making between the line of command and the functional supervision line is more a theoretical one than a practical one. This is a team; all these people are in Ottawa and are working together. If, for example, the general manager of regional broadcasting has a problem in any area, whether it be programming or engineering, he immediately will consult with the vice-president concerned and they will try to resolve the problem together. If there is any conflict of opinion between the regional head and one of the vice-presidents—and I can state it more generally; between any of the operating heads and any of the functional heads—then it is a problem which deserves the attention of the chief executive, and that is where you get your authority again. Therefore, the functional heads, if they see anything happening which is not in accordance with the policies or standards of the corporation, have the responsibility to go immediately to the vice-president, or to the president, and report, in which case, of course, we take it up immediately. This is standard organization.

Mr. CHOWN: Are these vice-presidents about whom I questioned you senior, authoritatively speaking, to your regional general managers?

Mr. OUMET: I should have mentioned this before. The vice-presidents and the general managers have the same relative seniority or importance in the corporation.



Mr. CHOWN: That is a point I was trying to clear up.

Mr. OUMET: But, obviously, in the case of a problem of finance, the comptroller is the expert on these matters, and his opinion will be given more consideration, in his professional field, than that of one of the general managers, who may not be as well informed. On the other hand, if it is a problem of operations, as distinct from a problem of policy or of technique, then the general manager may be in a much better position to know exactly what should be done.

The CHAIRMAN: Have you a question Mr. Lambert?

Mr. LAMBERT: Mr. Chairman, I think Mr. Ouimet has answered part of my question. However, the liaison which existed in 1959 between the three basic regions in programming and head office seemed to me to be some sort of a closed network operation, where individuals were located at the headquarters of, say, Montreal, Toronto and here in Ottawa. As I say, there seemed to be some liaison through a closed network system, which apparently broke down. Is there still some form of daily or weekly contact between your head offices in Toronto and Montreal, or has that been scrapped?

Mr. OUMET: Yes, there is. However, we are using a different method for achieving the same purpose. At the time of the 1959 committee, when we did not have the three general managers in Ottawa, the chief executive—that is myself—and the vice-president had regular meetings, say once a week, on a closed circuit telephone system, and we maintained our contact with Toronto and Montreal regularly on this basis. This had not been done for some time in 1959, as a result of some of the events with which you are familiar, and this may have caused a breakdown in communication. But today, with the general managers present at headquarters and travelling every week—in the case of both the general manager of the English network division and the general manager of the French network division—to Toronto and to Montreal, the communications are much closer than they were before. In addition to that, the first thing every morning, the general managers of these two divisions have a telephone conversation with their divisional directors, in which they review everything that has gone on the previous day and plan ahead for the operations of the coming week. Of course, it is not possible to do the same thing in the case of regional broadcasting. On the other hand, the general manager of this division travels frequently across the country, and, in addition, we bring into Ottawa—and I believe it is every three months—the directors from the provinces, so that we can assure this constant liaison with them.

I should mention that we have our own telephone lines between Toronto, Montreal and Ottawa, and therefore it is quite a simple matter to ensure communication between our three headquarters. Of course, you realize that one of the problems of the corporation is the fact that operating in two languages necessitates two major operating divisions in two different cities, and this, in turn, requires the superstructure for co-ordination purposes.

Also, I should have mentioned that I hold regular meetings every Monday morning, at which the whole team is present. They report on the activities of each division and functional department.

Mr. SMITH (*Simcoe North*): To illustrate your answer to Mr. Chown, perhaps we could take an interesting and non-controversial program like "Toronto File". I gather from your answer that Mr. Walker, who is the general manager, network, Toronto region, would be responsible for the actual production of that, rather than Mr. Hallman.

Mr. OUIMET: That is correct. However, Mr. Walker has to produce that program within the standards and in accordance with the policies and plans which probably were formulated by Mr. Hallman and approved by management.

Mr. BALDWIN: Mr. Chairman, would it be possible for Mr. Ouimet to give the committee an illustration of the various components in the production of a program? You might give us an illustration by taking any hypothetical program and tracing the activities from the time it is first a gleam in someone's mind until it is actually shown on the television screens of the viewers of this country. Could you show us how this complex operation works from the time someone first conceives an idea and it is approved, cleared, produced, and then comes on the television screens?

Mr. MCGRATH: Mr. Chairman, a similar question to that of Mr. Baldwin's was asked during the 1959 hearings. At that time a chart was produced, and this chart now forms part of the 1959 hearings.

The CHAIRMAN: Yes, that is true. Has there been any change in it, Mr. Ouimet?

Mr. OUIMET: Yes, there has been some change, and in order to answer your question, Mr. Baldwin, I would really need to use another chart which shows the organization of an operating division, because we are dealing in this first chart with the top end of the organization.

Program production, of course, is carried out at the production and supervisory level.

Mr. BALDWIN: I will defer my question until later, if you wish.

Mr. MCGRATH: Mr. Baldwin, you can find the information for which you are looking at page 226.

Mr. BALDWIN: However, I would like to hear it again, as I wish to direct some questions in connection with it. If you like, I will defer it until we come to that other chart.

The CHAIRMAN: Mr. Ouimet, when do you expect to take this up?

Mr. OUIMET: Perhaps it would be best to round out the whole thing now by dealing with the organization of an operating division, which really completes the presentation on organization. In this way you will have a better idea of what is involved.

The CHAIRMAN: Is that agreed?

Some hon. MEMBERS: Agreed.

Mr. FISHER: Mr. Chairman, I have one question I would like to ask for my own information. Under which part of our agenda could we go into the details in connection with the extension of service?

Mr. OUIMET: Coverage.

The CHAIRMAN: It is under coverage, No. 6.

Mr. FISHER: Mr. Richardson will be here for that?

Mr. OUIMET: Yes, he will be here.

Mr. MACDONNELL: Mr. Chairman, may I say, before we go on, that I do not want to lose the opportunity of raising a question. I would like to know just how far the board of directors participates in the management of this. It would appear to me that if we could have a sample agenda of the board of directors, let us say including their relationship to the finance department, it would prove very beneficial. However, it may be that I can bring this matter up later. I do not insist on it at this time. I did not want to feel that I had lost the opportunity of asking that question, with the disappearance of this chart.



The CHAIRMAN: I think it will be taken up under this heading.

Mr. OUMET: You will remember that there were three general managers, each heading one of the three divisions. We have taken here the French language division, and under the general manager, who is located in Ottawa, there is a divisional director who is located on the spot in Montreal. It is his responsibility to co-ordinate the whole operation under him, and he does this under the instructions given to him by the general manager.

Now, here again, we have what I call an orthodox organization made up of operating components and functional components.

Let us deal with the functional components first. You have the usual divisional services of accounting, engineering, legal, personnel, administration, industrial relations, purchasing, systems and procedure, and then also under this particular officer, we have the reference library and we have the night managers.

We also have information services, which are staff components of the corporation—audience relations, publications, publicity—generally for the French language network; in addition we have an English language branch.

The line of authority, or the line of command, flows directly from the divisional director to the head of programs. He is the director of programs for the division. He has a number of functional officers working with him. But, his line of direct command goes to the supervisors of the various programming areas. Before I describe to you what these are, I should point out that, in addition to the programming department, there are two other operating departments, namely television operations on the right of the chart, and radio operations and program services on the left. I can deal with these two rather quickly.

These two departments provide the staff, other than programming, and the facilities required for the production of programs. For example, in the case of television there are a large number of technicians and camera men provided by the technical department. There is the film group, the staging group, and the design group, as well as a co-ordinating department called program clearance. There is some thing similar in program clearance for radio operations. But, again, the line of command extending from the director of programs goes to supervisors for each one of these program areas. We have a number of them which are common to both radio and television.

For example, the farm and fisheries area has a supervisor who has the responsibility for the production of programs for both radio and TV in his area.

The same applies to programs concerning religion and institutional, public affairs, and also musical programs, children's programs, outside broadcasts and news. On the other hand, we also have two areas—the general television and general areas—where supervisory responsibilities for programming are divided. For example, drama and variety fall under different supervisors, I think for obvious reasons.

So, as far as program responsibility is concerned, I wish to stress again that the responsibility is very clear because all producers are assigned individually to the program areas in which they operate. That is to say, a producer reports to the supervisor, the supervisor reports to the director of programming for the division and he reports to the divisional director; and you will recall from the other chart that the line of command went straight up from there to the board of directors.

Let me take a particular example—there are so many I could take. Let me give the example of one of the French network programs, say, in the field of public affairs. There are a number of producers working under the direction of the supervisor of public affairs and, let us say, they are preparing a press conference. Well, of course, it has been decided by the whole organization that there would be a press conference or, say, a panel discussion.



Mr. HORNER (*Acadia*): That is not good enough—"the whole organization". Who decides it in the first place? I want to have that cleared up. "The whole organization" is too broad. Would you say it is the general manager?

Mr. OUMET: Let me explain this to you step by step. You are now raising a question of the scheduling of a series of programs in the first place. Of course, this year we have in being a certain program schedule in radio and television, and already we have had many discussions in Ottawa with representatives of the various operating departments for the purpose of determining how we could improve this schedule next year. Out of these general discussions, which are corporate wide, have come certain tentative plans which are then passed back to the specialists for study and costing. In such a case that kind of study would involve the head of programming of the division concerned. It would involve the head of television operations because production of television requires staging, technical planning and design services. It would also involve the supervisor of the area concerned with the program that is being studied. This team of people would in due course report back to their head as to whether the program suggested is a feasible one or not. Mind you, the program suggestion may well come from this (indicating) level instead of from another level—

Mr. HORNER (*Acadia*): I realize that.

Mr. OUMET: —but the process is the same. Finally, when all these recommendations and reports are assembled, a schedule is agreed to for the year. This is tentative at the start because many things can happen during the year to change it. The chief executive, the president and the vice-president must give consent to what the schedule will be, what it will contain, and that schedule will represent a program on which we can work.

Mr. HORNER (*Acadia*): I have one further question before you go on. Would the board of directors enter into these discussions on whether a program should be considered or not?

Mr. OUMET: The board of directors exercises its authority in a different way. All during the year it has discussions on all the programs that we are doing on our networks. These discussions take place in its program committee, and the board of directors gives management an indication of the direction it expects us to go. Therefore, we keep those directives in mind when we are preparing our schedule and the board sees the schedule before it is finally approved.

Mr. BALDWIN: At what level is the schedule first born, so that you can see it?

Mr. OUMET: Well, this year, for example, we are working on drafts of the schedule for next winter and at this moment I suppose we are up to the third, fourth or fifth draft and that will continue until, say, the middle of August, when we should have something fairly final.

Mr. SMITH (*Simcoe North*): Does the first rough draft come from the director of programming in the division concerned?

Mr. OUMET: The first rough draft?

Mr. SMITH (*Simcoe North*): Yes.

Mr. OUMET: Well, of course, the first rough draft is what we have this year. It changes—

Mr. SMITH (*Simcoe North*): I realize it changes, but put it this way—does the director suggest what he would like to show in his division or do you suggest it to him at the beginning? Someone has to open up the discussions.

Mr. OUMET: In practice it starts within the general directives that have been given to him.

Mr. SMITH (*Simcoe North*): Initiated—

Mr. OUMET: Yes, initiated by the director of programming of the operating division concerned.

Mr. SMITH (*Simcoe North*): And he sends it up to you in the course of time?

Mr. OUMET: He sends it up and then comes to defend it.

The CHAIRMAN: Have you any further questions, Mr. Horner?

Mr. HORNER (*Acadia*): On page 19 of the brief which the C.B.C. submitted to this committee it is stated:

Major program matters affecting all areas are handled by a program council at head office. Members of this council are the three general managers and the vice-president, programming, who acts as chairman.

Does that tie in with what you have already said? You have a program council; where does it come in?

Mr. OUMET: I have not mentioned that because it is only one of the numerous steps before approval is given; but the function of the program council, which is composed of the vice-president of programming and the three general managers, is to review programming proposals which require co-ordination and study. In other words, they deal with the more difficult things and they report to the vice-president and to myself. Usually they will recommend either a policy, an interpretation of policy or some action which had to be studied thoroughly. By the way, it is a very useful device. The program council ensures, at the program level, the necessary co-ordination between the three general managers and the field of production policy. You can well imagine that in a bilingual operation such as ours is, and considering our regional requirements, there are many occasions when it is impossible to make an entirely separate decision in one of the divisions. You always have to co-ordinate the activities of the three divisions and, in the programming field, the program council does just that.

Mr. SMITH (*Simcoe North*): On the right of the chart there is "casting". Does that just involve the actors or does it involve the writers also? What is the limit of "casting"?

Mr. OUMET: Casting is a service department. It does all the hiring of all performers.

Mr. SMITH (*Simcoe North*): Does "performers" include writers?

Mr. OUMET: No. The writer is taken care of in the script bureau, which is not shown here.

Mr. SMITH (*Simcoe North*): Why?

Mr. OUMET: They are two different things.

Mr. SMITH (*Simcoe North*): Why are casting and script writing not the responsibility of the programming department?

Mr. OUMET: Oh, they are. These people perform purely on instructions from the production people.

Mr. SMITH (*Simcoe North*): What about the scriptwriter?

Mr. OUMET: The scriptwriter and the script bureau perform another service. That is, the bureau receives in the first place the numerous scripts that are sent to us. Its function is to read these scripts in order to weed out anything which is obviously not suitable to broadcasting and, by the word "suitable" I do not necessarily mean in content but also in the quality of the work, of the writing. Then the script bureau passes on the scripts it has received to the supervisors concerned. If it has received a script which it thinks is good and has possibilities, it does not decide whether the script goes on



the air. If it is, for instance, a children's program, it is sent to the supervisor of children's broadcasts who will decide whether it can or cannot be used. Also, of course, there is communication in the reverse direction. Supervisors who may require some particular scripts will use the script bureau to encourage writers to produce more of the type of script they want.

Mr. SMITH (*Simcoe North*): So, in your chart under television operations, and on the other side under radio operations, neither of them have control of the content of a program? Is that right?

Mr. OUMET: This is the important point.

Mr. SMITH (*Simcoe North*): So that the content of a program is the responsibility of the program director for the division involved? Is that right?

Mr. OUMET: That is correct. I should also mention a point that is important and that will probably come up when we discuss financial control. It is that the program directors, the supervisors and the producers, have to work within a given budget. It is the responsibility of television operations to make sure that they stay within that budget. In other words, they are not allowed to provide more staging, more design or more technical help than the budget will allow. Therefore, we have a double check in this respect on the program group.

Mr. FISHER: The board of directors' advice and guidance on programming is concerned more with what has happened in the past. Is that not so? Do they also try to direct and advise for future programs?

Mr. OUMET: They do both and, may I say this: our board of directors meets every two months, an average of six meetings a year. We have met on an average of three days on each occasion for general discussion of the affairs of the corporation, constituting the meeting of the board itself but, in addition, in every instance we have had a one-day meeting of the program committee of the board and there is a great deal of attention given by the board to our programming activities. That attention takes the form of comment, criticism and commendation on what has been done, as well as direction as to what should be done in the future.

Mr. FISHER: I have a great respect for a number of people on the board, especially for someone like Professor Morton. Do you think it would be possible to get a statement from some members of the board as to their views on the scope of their responsibility for programming, that is, their responsibility as a board for it?

Mr. OUMET: I am the president of the corporation and it is my responsibility to make that statement.

Mr. FISHER: I think some of us have a hard time in seeing you in both roles. I am expressing the opinion here that I feel the board should, perhaps, be out in the open, accepting more responsibility than the officials in line of the corporation, and I just wondered if it would be possible to hear from some of the members of the board as to their views on this. After all, they are people who are chosen by the government or the administration as directors on policy guidance to the whole corporation.

Mr. OUMET: Mr. Fisher, of course the committee can ask for anything. However, may I point out to you that it would seem undesirable to try to obtain the opinions of individual members of the board. What you want is the opinion of the board—the opinion of the corporation—and I have been asked by the board, indeed it is part of my function as president, to give you any information you require. If there is something in that connection that I am not able to do, I should be very pleased to go back, study it further, and prepare a statement for the next meeting.



Mr. SMITH (*Simcoe North*): This is supplementary to Mr. Fisher's question. It seems that the inference is that the non-full-time members of the board might be considered merely as rubber stamping the actions of the corporation in broadcasting. Is that the inference?

Mr. FISHER: I want to make sure this is not so.

Mr. RICHARD (*Ottawa East*): You want a poll of all the directors.

Mr. OUMET: Of course, it is not so. It cannot be so. There are eleven votes on the board, and the vice-president and I have two. So there is no possibility for the officers of the corporation who are on the board really to govern the decisions of the board.

Mr. FISHER: Perhaps I might more clearly explain my reasoning. There is a continuing—and there always has been—criticism of C.B.C. programming, in which M.P.'s, including Mr. Horner and myself, for example, have had our share. But I think we tend to concentrate too much on the programming officials of the corporation, and to forget that there are people at the top of the corporation who are appointed by the government. I would like to be perfectly sure that not only we—but everyone—are aware that they have that responsibility, that they are involved, and that they share programming decisions and guidance.

Mr. OUMET: I can assure you that they do, and that they are active on the board.

Mr. HORNER (*Acadia*): First of all I would like to say that while I have not been in agreement with all of the programs of the C.B.C., nevertheless I have enjoyed some of them, and I think they are improving. My sole responsibility on this committee is to see that they continue to improve.

My question to the chairman is this: in his chart he has program clearance, but he did not touch on that particular blocked-off square at all. Is this where the cutting of the program is done to a major extent? I wonder if cutting would be done all over the board.

Mr. OUMET: Not at all; this program clearance department is merely a group concerned with program traffic, with the assignment of facilities at any given point. They are the people who make sure that a studio is cleared for a program, and that the lines are cleared for its transmission. They have no responsibility whatsoever for program content.

Mr. HORNER (*Acadia*): With regard to the board of directors, are minutes kept of their meetings?

Mr. OUMET: Of course. By the way, we are subject to all the provisions of the various acts which govern crown corporations, such as the Financial Administration Act, and a number of others.

The CHAIRMAN: Mr. McGrath.

Mr. McGRATH: I am not clear as to the duties of the chairman of the board of directors. I cannot recall whether or not they are defined in the act. What are the duties and responsibilities of the chairman of the board of directors?

Mr. OUMET: The chairman of the board of directors chairs the board meetings. He is available between board meetings. He is not a full-time officer, but he is available for advice, consultation and discussion with the chief executive officers.

Mr. McGRATH: He would be the most active of the part-time directors? Is that the case?

Mr. OUMET: Not as chairman of the board; but he has another function, and that is as chairman of the finance committee. As chairman of the finance committee he gives considerable time to the review of our financial problems.

Mr. McGRATH: My reason for asking the question was that you have no provision for the chairman of the board in your organizational chart.

Mr. OUMET: I simply showed the board. I did not show anybody on the board, such as the chairman, the president, or the vice-president. They were not shown.

Mr. McGRATH: My question was actually apropos to Mr. Horner's question relating to the influence of the directors on the various aspects of your organization, and on the role of the chairman of the board. He would, I presume, be the spokesman for the board through the management, or to the management; or would you, as president, be the liaison between the chairman of the board and the operating functions of the corporation?

Mr. OUMET: No, this is not the arrangement, and our practice is not uncommon either. There are many organizations in industry and also in the public service where you have a chairman of a board and a president, and the division of responsibility depends entirely on the institution concerned.

The CHAIRMAN: Mr. Chown.

Mr. CHOWN: Mr. Ouimet, you mentioned that there were three subcommittees of the board of directors. And then, in your management team, you referred to the broad corporation, and said there were also a number of subcommittees. I was going to ask if we could be given the names of the personnel who composed those committees? This could be done at your leisure, perhaps produced for us at the next meeting of the committee, so that we might know who these people are.

And I wondered if the president could table a sample copy of the minutes of a typical meeting of the board.

Mr. OUMET: As far as your request for the names is concerned, we shall be very pleased to provide them. But as far as your request for minutes of the board is concerned, I suggest that this should be discussed by your steering committee. I have the impression that the minutes of the board of a crown corporation are in the category of privileged documents. But I am not an expert on such things, and I would leave it in your hands.

Mr. MACDONNELL: I want to refer to an aspect of something which has been discussed. I feel, like Mr. Horner, that I would like to know really the part played by the board. I do not think that arithmetic settles the whole thing. I think it would be unfair to the president and vice-president to suggest that they are just two out of eleven. We all know something about boards of directors, and we feel it would be very unusual if they were not greatly influenced by the president or vice-president.

We might be able to get a close-up, as suggested, by seeing the minutes of a board meeting. But I do not know. I am not pressing it because it may be open to some question. But I suggest to Mr. Ouimet that we would like to feel in this committee that we have a close-up of this.

Again, I would say that to my mind it is not a question of two out of eleven at all. It is a question of the president and the vice-president being on the job every day, and going to the board meetings full of knowledge. They, no doubt, would have a very great influence on the board. So I think it is desirable to know whether, for example, the recommendations that are taken to the board by current officials are sometimes turned down.

Mr. OUMET: They are, sometimes.

Mr. MACDONNELL: I do not know whether or not it is fair to ask the chairman about it. We do not want to be unfair, but I do not think we should deal with this matter in a formal way. If we do, I think we would be making our function rather ridiculous.



Mr. OUIMET: I am here to tell you anything you wish to know about what the board does and to what activities it has given its attention. I can tell you this: from the start it was a new board, and it has had to make a systematic review of all our policies. This systematic review is not finished, because it is a very comprehensive study. The board has re-affirmed or modified policies and standards as a result of that study.

Mr. MACDONNELL: Frankly, I am impressed to know that your meetings last three days. That sounds like good business.

Mr. OUIMET: I mentioned that fact because I think it is an unusual length for a meeting of an ordinary corporation, but of course we are not an ordinary corporation.

Mr. BALDWIN: Supplementary to Mr. Macdonnell's question, there would be some gauge as to the value of Mr. Ouimet if we were to know the percentage of times when he and the vice-president appeared in the minority.

The CHAIRMAN: Mr. Simpson.

Mr. SIMPSON: Mr. Chairman, part of my question was answered by Mr. Ouimet's remarks in regard to three-day meetings. Mr. Ouimet has said that they normally hold meetings six times a year. Do they follow any set schedule, or are they called at staggered times during the year?

Mr. OUIMET: No. They have followed a pretty uniform schedule. Usually they are held every two months, except during the summer, and in the fall we have an extra meeting. Generally the annual meeting is in June, at the end of June. The April meeting is always near the end of April; and the February meeting the same way, near the end of February. So there has been a steady pattern.

May I say this to complete the picture regarding the activities of the board: do not forget that in addition to meetings of the board—and there are six of them lasting for three days—there are at least six one-day meetings of the program committee.

In addition to that, there is the executive committee of the board, and there are at least seven or eight meetings of this committee in a year. Furthermore, there are, I would say, 13, 14, or 15 meetings of the finance committee each year, with all members in attendance. And there are a great number of others where the outside members may not be able to come.

Mr. SIMPSON: Would these meetings normally last the full three days, or would they go over the three days at times?

Mr. OUIMET: I think it has happened that they have lasted a little more than three days, and also less than three days, but usually it is three.

Mr. CHOWN: If the subcommittee decides that it is not proper and fair to table a copy of the minutes of the board of directors, perhaps they could table a copy of a typical agenda.

The CHAIRMAN: We shall examine that question.

Mr. CHOWN: Without a breach of privilege.

The CHAIRMAN: Next Tuesday the committee will meet in room 238-S, because this room will be taken up for the full day. We shall meet at 9:30. There is some question of conflicting with the public accounts committee, but we are attempting to change that committee from 9:30 to 11:00 o'clock in the morning on Tuesday, and I think we shall be successful.

The committee adjourned.



## APPENDIX "A"

List of orders-in-council approved since November 10, 1958  
pursuant to section 30 of the Broadcasting Act

## A. PURCHASES OR LEASES

<u>Order-in-Council No.</u>	<u>Date</u>	<u>Purpose</u>
P.C. 1959-3/837.....	July 2, 1959	Authority to renew lease on 14,440 sq. ft. of office space and 361 sq. ft. of storage space in the Kent Albert building, Ottawa, at an annual rental of \$43,681; term 10 years from June 1, 1960. Lessor, Kent Albert developments.
P.C. 1959-1/849.....	July 9, 1959	Authority to renew lease on 18,827 sq. ft. of studio and office space in the hotel Vancouver, at an annual rental of \$46,853.50; term 5 years from May 1, 1959. Lessor, Vancouver Hotel Company Ltd.
P.C. 1959-3/112.....	Sept. 2, 1959	Authority to: (1) lease 47,000 sq. ft. of storage space at 1360 Barre Street, Montreal, at a rental rate of \$1.30 per sq. ft.; term 7 years from May 1, 1960; (2) renew lease on 14,000 sq. ft. of storage space at 1350 Barre street, Montreal, at a rental rate of \$1.30 per sq. ft.; term 7 years, 4 months, 16 days from December 16, 1959. Lessor, Barre Street Realty Company.
P.C. 1959-1/1249.....	Oct. 1, 1959	Authority to lease 25,000 sq. ft. of office space at 385 Yonge street, Toronto, at an annual rental of \$60,000; term 3 years from Sept. 8, 1959. Lessor, Gerrard Realities Limited.
P.C. 1959-6/1554.....	Dec. 10, 1959	Authority to purchase from Toronto Industrial Leaseholds (1957) limited a 33-acre tract of land situated in the township of North York, for the sum of \$635,000.
P.C. 1960-3/255.....	Feb. 25, 1960	Authority to renew lease on 2,215 sq. ft. of basement space and 15,325 sq. ft. of office space, Victoria building, Ottawa, at an annual rental of \$56,234.50; term 4 years from May 1, 1960. Lessor Wittington Realty and Construction Limited.
P.C. 1960-1/326.....	Mar. 17, 1960	Authority to renew lease on 12,000 sq. ft. of office space in the Holt Renfrew building, Ottawa, at an annual rental of \$27,000; term 4 years from May 1, 1960. Lessor, Holt Renfrew & Company Ltd.
P.C. 1960-9/526.....	Apr. 21, 1960	Authority to enter into a licence of occupation with Her Majesty the Queen in right of the province of British Columbia for 2.3 acres of land on Monte Christo mountain near Trail, B.C., the licence to be for so long as required, at a rental during the initial five years of \$10.00 per annum.
P.C. 1960-5/1154.....	Aug. 24, 1960	Authority to enter into an agreement with the city of Montreal regarding the building of a new television tower on the summit of Mount Royal, at a rental of \$1.00 per annum until April 30, 1963 and \$8,040 per annum thereafter; term 20 years with continuance clause.
P.C. 1960-2/1585.....	Nov. 25, 1960	Authority to lease 39,000 sq. ft. of office space in a building to be constructed at Cote St. Luc road and Westminster Avenue, Montreal, at an annual rental of \$148,200; term 5 years from date of occupation. Lessor, West Cote St. Luc corporation.

List of orders-in-council approved since November 10, 1958  
pursuant to section 30 of the Broadcasting Act—*Concluded*

## B. CONSTRUCTION CONTRACTS

<u>Order-in-Council No.</u>	<u>Date</u>	<u>Purpose</u>
P.C. 1959-1/1527.....	Dec. 3, 1959	Authority to contract with Bird Construction Company Ltd., Calgary to construct building for television network delay centre at Westmount boulevard and 16th Street West, Calgary, cost \$363,857 plus provision for winter work in amount of \$11,200.
P.C. 1960-4/39.....	Jan. 14, 1960	Authority to contract with A. Lanctot Construction Company Ltd., Ottawa for the construction of two extensions to the corporation's television studio building in Ottawa. Cost \$177,093.
P.C. 1960-1/1765.....	Dec. 29, 1960	Authority to contract with Christensen & MacDonald limited for the construction of a television studio and office building at Edmonton, Alta., at a cost of \$404,409.

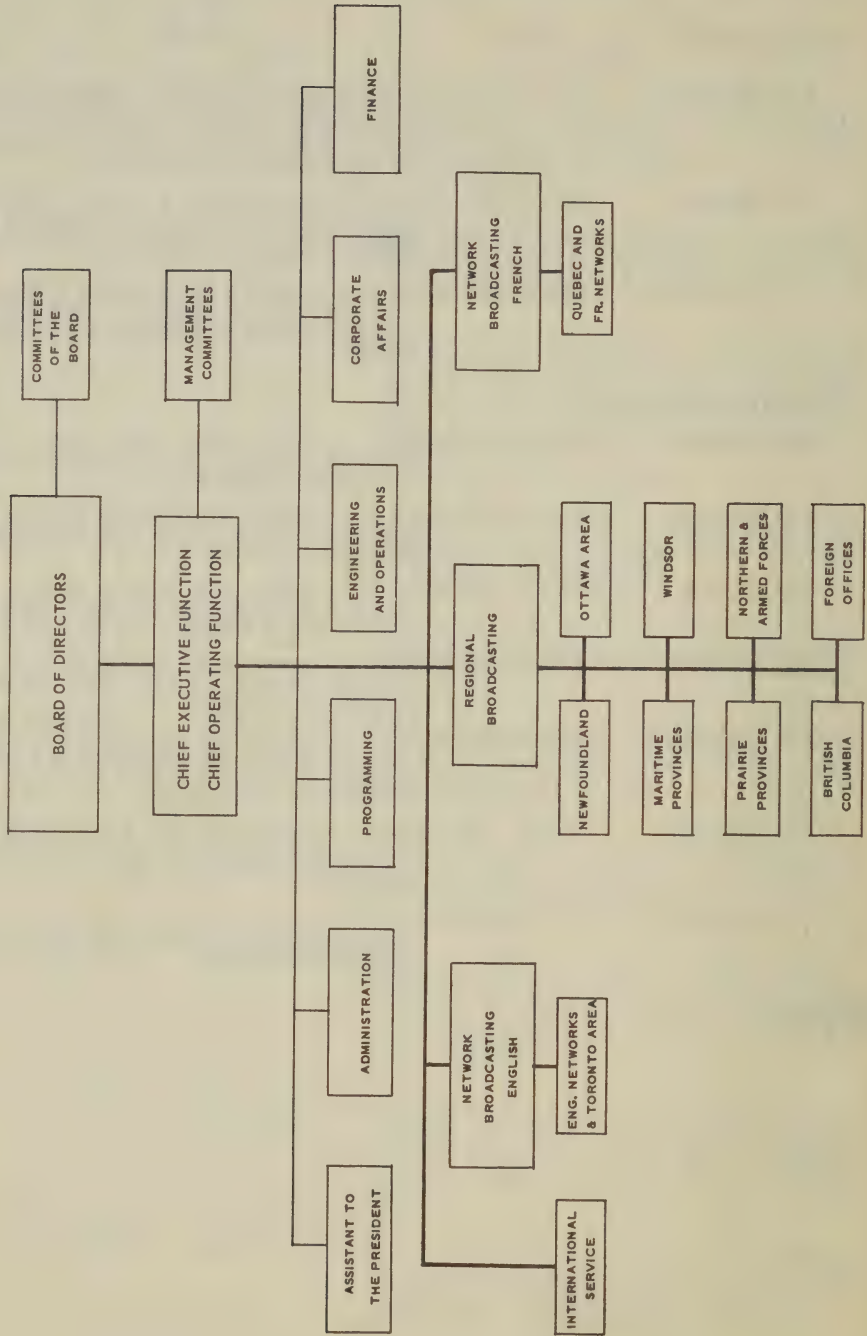
## C. EQUIPMENT CONTRACTS

P.C. 1959-4/583.....	May 14, 1959	Authority to contract with Canadian division, Ampex American Corporation, for six video tape recorders at a total price of \$416,977.
P.C. 1959-1/794.....	June 25, 1959	Authority to contract with Canadian division, Ampex American Corporation, for six video tape recorders at a total price of \$417,000.
P.C. 1960-5/39.....	Jan. 14, 1960	Authority to contract with Canadian division, Ampex American Corporation, for six video tape recorders at a total price of \$417,000.
P.C. 1960-4/739.....	June 2, 1960	Authority to contract with Canadian division, Ampex American Corporation, for four video tape recorders at a total price of \$282,000.
P.C. 1960-3/1322.....	Sept. 29, 1960	Authority to contract with Canadian General Electric Company Ltd. for the construction of a television antenna tower on the summit of Mount Royal, Montreal, at a cost of \$433,000.
P.C. 1960-4/1557.....	Nov. 17, 1960	Authority to contract with RCA Victor Company Ltd. for the supply of a television transmitter and antenna system, etc. at Edmonton, Alta., at a total cost of \$462,198.
P.C. 1961-5/19.....	Jan. 11, 1961	Authority to contract with Canadian division, Ampex American Corporation, for two video tape recorders at a total price of \$145,000.

OTTAWA,  
April 10, 1961.

APPENDIX "B"

CANADIAN BROADCASTING CORPORATION



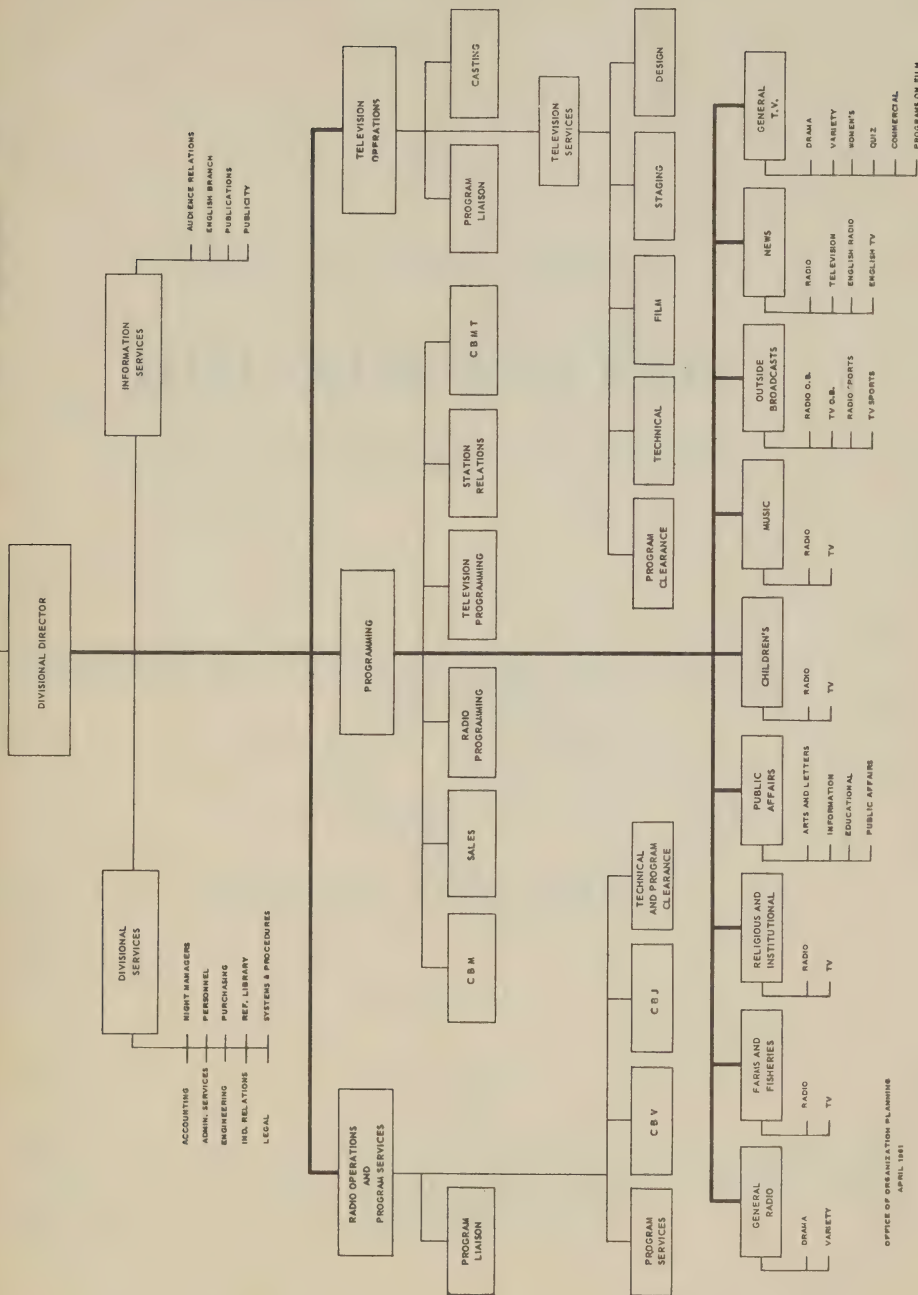


APPENDIX "C"

QUEBEC AND FRENCH NETWORKS DIVISION

FUNCTIONAL CHART

DIVISIONAL GENERAL MANAGER



OFFICE OF ORGANIZATION PLANNING  
APRIL 1981



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15 LIBRARY  
MAY 8 1961  
UNIVERSITY OF TORONTO  
TUESDAY, APRIL 18, 1961.

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Captain W. E. S. Briggs, Vice-President; Mr. H. G. Walker, General  
Manager, Networks Broadcasting (*English*).

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forgie

Fortin  
Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell

Morissette  
Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 238-S.

TUESDAY, April 18, 1961.

(16)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Baldwin, Chown, Danforth, Fairfield, Fortin, Horner (*Acadia*), Keays, Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, McGrath, Mitchell, Pickersgill, Pugh, Regnier, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Webb—(21). Also Mr. Pitman, M.P.

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. H. G. Walker, General Manager, Networks Broadcasting, (English); Mr. Marcel Ouimet, General Manager, Networks Broadcasting, (French); Mr. Ronald Fraser, Vice-President, Corporate Affairs; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

Before proceeding with the business of the day the Committee was informed by the Chairman that a submission by the Board of Broadcast Governors had been received in compliance with a request by Mr. Caron on March 23rd (*see page 360*), concerning a redraft of section 17(1)(b) of the Broadcasting Act, 1958. It was agreed that it be appended to this day's proceedings. (*See Appendix "A" hereto*). Meanwhile, all members of the Committee have been supplied with a copy thereof.

The Canadian Broadcasting Corporation filed for the information of the Committee a set of analysis outlining the composition of each Committee of the Board of Directors, with the terms of reference in each case; also, a biography of the full-time and part-time members of the Board of Directors. Copies thereof were supplied to each Member.

Mr. Keays spoke on question of privilege. (*See beginning of today's printed report of Evidence*).

The Committee resumed from Thursday, April 13th, its adjourned inquiry into the operations of the Canadian Broadcasting Corporation.

Mr. Ouimet was recalled. The witness answered questions directed to him and in this was assisted by Captain Briggs and Mr. H. G. Walker.

Pursuant to arrangement agreed upon on February 23rd, Mr. Walter Pitman, M.P., took part in the questioning of witnesses.

And the examination of Mr. Ouimet and others still continuing, it was adjourned to the next sitting.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m., Thursday, April 20th, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

TUESDAY, April 18, 1961.  
9.30 a.m.

The CHAIRMAN: Gentlemen, we now have a quorum. We have received a communication—and I think copies have been distributed to all the members of the committee—from the secretary of the board of broadcast governors concerning changes in the legislation. I do not think it is necessary to elaborate on the letter from Mr. Mills except to say that this was in reply to a request from the committee on March 23 that the board of broadcast governors redraft section 17(1)(b) of the Broadcasting Act to clarify for the committee the views of the board on the application of this particular section.

Mr. CHOWN: I move that it be tabled as an appendix.

The CHAIRMAN: May this proposed modification be included in the appendix?

Agreed.

(See Appendix "A")

Mr. KEAYS: On a point of privilege, I am sorry I did not bring up this matter before, but I have to bring it up now as it affects me as a member of parliament and each and every one of my constituents. I have noted on the maps which have been distributed to members of the committee that there is a very important riding in Canada which has been omitted. I also note that another island which has only ten permanent inhabitants is described or shown on the map. I am wondering whether this island is being represented as my riding.

If you will look at the maps which have been distributed showing the owned and operated stations and networks you will see Anticosti island which has possibly ten or fifteen inhabitants, while my riding of Isle de la Madeleine is not shown. I think this is a grave injustice to my constituents. Possibly it is the reason why they have not had any consideration for television on the Magdalen islands. Possibly the intention is that Anticosti island should have it, but I would prefer that it had been my riding. Possibly it also explains the list which has been made up of the television coverage in Canada by provinces, that under the province of Quebec the only area shown in the southern part is around Lac Frontiere and the general area northeast of Mont Laurier has not been covered in the province of Quebec. If that is so, I can understand why the Magdalen islands have not been included in the coverage.

Mr. Chairman, I object and I would like to know the reason why the Magdalen islands have not been shown on the map.

The CHAIRMAN: Have you any excuse to offer, Mr. Ouimet?

Mr. J. A. OUMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, in the preparation of a map such as this, there is always a possibility that some important constituency may not be shown. I am very sorry that this has happened to Mr. Keays' constituency. As you can well realize, this is purely a question of the graphic designer forgetting one of the important locations in Canada. It will be corrected on future maps.

Mr. CHOWN: There is another important committee sitting this morning at half past nine, namely, the public accounts committee. I know there are several members here who are members of that committee. I wonder if the

clerk of this committee and the clerks of the other committees could co-operate so that those of us who are on other committees will not be losing our continuity as a result of trying to decide which committee we should attend on any particular day, when there is duplication such as this.

The CHAIRMAN: I am sorry for this. It is chiefly my fault. I made inquiries last week and was reassured that the change would take place, that the public accounts committee would meet at eleven o'clock on Tuesdays and that we would remain at half past nine. I guess the whip's office, because of the illness of the whip, did not get this change made.

Mr. McCLEAVE: On the previous point, I have in mind one of the neglected islands, Sable island.

The CHAIRMAN: Mr. Simpson, have you a point of privilege in regard to Flin Flon?

Mr. SIMPSON: As a matter of fact I would like to compliment the C.B.C. on marking the Flin Flon line, which I have been working on for a long time. My only regret is that I do not see another network there.

Mr. PICKERSGILL: In relation to Mr. Chown's observation, when on Tuesdays is it proposed in future that this committee should meet?

The CHAIRMAN: We will have to change with the public accounts committee, or they will have to move to eleven o'clock. I do not know what the line of march will be, but it will be either at half past nine or at eleven.

Mr. PICKERSGILL: I would prefer that this committee should start at half past nine rather than that the public accounts committee did so.

The CHAIRMAN: I realize that, Mr. Pickersgill.

As regards our agenda, we are still on organization. I am sorry that the minutes of the evidence of the last meeting have not as yet been printed. They included a great number of charts and so on. The result is that there has been some delay and we will not get them probably until some time today. However, we had reached organization and line of policy, and we were discussing the board. I think Mr. Ouimet has some further remarks in clarification or explanation of some of the remarks he made the other day.

Mr. OUIMET: Mr. Chairman, at the last meeting the committee showed considerable interest in the activities of the board of directors of the corporation. While I answered all the questions asked, I feel I could add useful information to what I have already given to the committee. This morning, in answer to a request from Mr. Chown, we are providing the secretary with a list of committees of the board together with their membership. We have included also the terms of reference of these committees so that you may have a more complete picture of their respective responsibilities. We have also given or will give to the secretary—if you agree, Mr. Chairman—a set of biographical notes on the directors. Since they are the trustees of the people of Canada in broadcasting, you may be interested to know their background and experience. It is as you wish.

The CHAIRMAN: Is it agreed that this should be distributed to the members? I do not know whether you would like them included as an appendix.

Mr. CHOWN: Yes, I would. In particular, I would like the personnel of the committees tabled as an appendix to the minutes.

The CHAIRMAN: Is it agreed that these be tabled and included as an appendix?

Agreed.

(See appendix).

Mr. OUIMET: I said on the last occasion that our board was a very active board. In fact, I believe it is one of the most active of its kind in Canada. In



industry the average board meeting lasts about a day. As I told you at the last meeting we meet six times a year, and our board meetings last four days. The first day is really a meeting of the program committee of the board. In addition, we have had two special board meetings which have been called for urgent and important matters, and which lasted for one day each. Over a period of time, the board has developed a pattern for dealing with the corporation's affairs. Thus, at every regular meeting it receives reports and recommendations from its committees—the executive, the program and the finance committees. Usually each committee has met at least once prior to the board meeting itself. The agenda also includes a report from the president on the operations of the corporation and on any other matters which may require the attention of the board. At each meeting there are also reports on current and future developments in connection with the corporation's plant and facilities; and a report on staff matters and on important developments in the field of industrial and talent relations. Further, there is usually a report on the actions of the B.B.G. as they may affect the corporation.

In addition to the items which recur at every meeting we have, of course, items which come up only once a year,—for example, the annual report, the approval of our operating budget, the five-year plan, the yearly revision of our coverage plans. And then there may be other special items which are dealt with only once and which may be the subject of study by the board over a period of several meetings—for example, municipal grants in lieu of taxes, the future of the dominion network, the role of the international service, the pension plan, changes in organization, consolidation of facilities, and more recently the submission to the parliamentary committee that was forwarded to you in December, recommendations for changes in the act, and any other questions of major importance.

You will have noticed that I have not yet mentioned any matters related to programming and finances, because questions in these two very important areas in the first instance, are referred to the program and finance committees of the board. They are studied by those committees and it is only then that recommendations are made to the board itself. As you will see from the list of members that I have already given you, the program committee is quite a large one and, in addition, meetings of that committee will quite frequently be attended by other members of the board as observers, especially when that committee deals with important questions of programming.

As I have already said, with rare exceptions the committee sits for a day immediately prior to the board meetings and at each meeting the committee reviews the program activities, in English and in French, of the corporation since the last committee meeting. It concerns itself at every meeting with questions of balance in opinion broadcasting; and, in addition, the program committee carries out a systematic review of the program policies of the corporation in the various areas of broadcasting.

This review has always covered the field of news, talks and public affairs, sales, distribution of the national service, the image of Canada presented by C.B.C. programs, religious broadcasts, music and many other questions. Each year the program schedules of the corporation are submitted to the program committee for review and study. However, each agenda also contains specific and recurring items which are referred to the committee by the board or by management, or which arise out of requests by the members themselves. Falling into this category we would have such items as regional program output, policies and rulings for political broadcasting, corporate program planning, good taste in programming, coverage of parliament and so on.



When the program committee has formally reviewed some program policy and has decided to approve, to amend, or to reject a recommendation from management, the matter is referred to the board as a whole as a recommendation, and it is only then that the matter is dealt with finally as an approval or otherwise.

In a similar manner all matters related to the finances of the corporation are reviewed and recommended upon by the finance committee before being considered by the board as a whole. This committee is a very active one. It usually meets at least once a month with the full membership. It receives regularly monthly financial statements from management, including the monthly balance sheet, the statements of revenue, of capital operating expenses, and it also receives regular statistics on the staff of the corporation, on fluctuations in our staff, it concerns itself with every phase of our financial and administrative activities. In addition to a systematic review of important questions such as salary rates and the status of our inventories, the committee deals with a variety of special items, such as delegation of signing authority, acquisition by purchase or lease of property at various locations, disposal of assets, the state of the corporation's pension trust, the costs of a particular program or a particular program series, the purchase of rights to sports events, and so on. The committee makes its report to each board meeting. Finally, I should point out that these two committees, the program committee and the finance committee of the board, are advisory committees. They recommend to the board. They have no executive authority and, if action is needed, it is up to the board as a whole to take action. If in between board meetings, a matter is considered urgent then it is up to the executive committee to take executive action.

Mr. Chairman, I think this brief description of the work of the board indicates clearly that it maintains at all times a close, systematic, continuing review of the operations of the corporation.

The CHAIRMAN: Are there any questions on this statement?

Mr. CHOWN: I presume, Mr. Ouimet, that we can quite readily find the names of these people who compose the various committees that are shown here? I mean that here, where you cite the committees of management, you just give the general classifications without giving the names, while my purpose was to obtain a concise, composite list of names and their classifications so that I, or anyone else on the committee, would know in future just whom to approach if we have any problem, without bothering top echelon management.

Mr. OUMET: That information can easily be added to the present list of titles which we have given you. Of course they are the same people I introduced to you, I think at the last meeting.

Mr. CHOWN: What I should like is one sheet which would give us the names of the various people because, if I have a labour management problem I want to be able, for instance, to call Clive McKee and ask him for information about it, without bothering top echelon management.

Mr. OUMET: I shall give you a list of the top management of the corporation.

Mr. HORNER (*Acadia*): These two committees are strictly advisory committees of the board. I think you said that?

Mr. OUMET: Yes, they are advisory committees.

Mr. HORNER (*Acadia*): I have a question to put which, perhaps, does not deal with what Mr. Ouimet has said this morning, but is one on which we were working at the last meeting. It is to find out the direct line of authority,

to find out to whom and at what level in the management of the C.B.C. is responsibility given. Looking over the charts which we had before us last week, we see "programming management" and so on, but at what level does responsibility come in? Does an idea jell in someone's mind, and at what level is it given final approval and O.K.? At the last meeting Mr. Ouimet was explaining this and he took a press conference as an example to show how an idea was formed and how it eventually came to the program stage; but he did not explain to me—at least, I did not understand him—at what level a program gets approval and the go-ahead signal.

Mr. OUIMET: I believe I mentioned at the last meeting that, if you are thinking of the overall schedule, it takes place very high up in the corporation; but if you are thinking of an individual program to be produced within a series already approved by management, then the idea for a particular program, perhaps the choice of play in a drama series, is a decision made by the program head for the division concerned. This is usually the last point to which it is referred, unless there is a question about the suitability of the play in which case it may go higher up. In other words, if any of the programming officers have any doubts about the suitability of a program or a subject, they refer it upwards but, on a routine basis, it would go to the divisional director of programs.

Mr. HORNER (*Acadia*): I understand that; but the only part I am in doubt about is the very high position about which you speak. What would be a very high position? Would it be one of the regional directors or one of the vice-presidents, that is, in determining programming in the network sense?

Mr. OUIMET: I believe I mentioned a very high position in connection with the overall program schedule. Actually our program schedules are discussed in Ottawa at a meeting of the senior management people, with the directors from the divisions, and the directors of programs from the divisions in attendance so that, in such a case, you have practically everyone, including the president and the vice-president.

Mr. HORNER (*Acadia*): I have one further question, and this stems back to a question which I asked, as recorded on page 235 of the report of our proceedings. At that meeting I wanted to know if there was a chief editor for each of the C.B.C. programming centres, and the chairman said this could be dealt with more properly under organization. I should now like to put the same question. Is there an editor, or an editor in chief, in each of the program centres of the C.B.C.?

Mr. SMITH (*Simcoe North*): Could we have the chart displayed again? It might help.

Mr. OUIMET: I believe it would be a help if I could refer to the chart. I now show you the chart of organization for the French network division, which I showed at the last meeting. You, Mr. Horner, were asking whether there is a chief editor. There is a chief editor, but not in the sense I believe you are using the word. There is a chief editor for news; that is the title of his position, but there is no chief editor in the sense of a chief censor, if this is what you had in mind. However, there is a divisional director of programming who is responsible for all the programming activities in all the various areas of programming.

Mr. HORNER (*Acadia*): Exactly, Mr. Ouimet, but do you set up such a system in each program centre? I understand there are seven or eight program centres in Canada.

Mr. OUIMET: Yes, there are some smaller than this and they do not have all the same development of organization which we have here, but there is a



regional or a divisional program head or a local program head at all of our operating points and he reports in all cases directly to the divisional, the regional or local management as the case may be.

Mr. HORNER (*Acadia*): In other words, the programming committee in each program centre would act as editor in chief of what comes out of that centre?

Mr. OUIMET: In effect, yes.

Mr. HORNER (*Acadia*): And that is that square, that block which is below the heavy line on the chart?

Mr. OUIMET: "Programming."

Mr. HORNER (*Acadia*): Who makes up that programming committee?

Mr. OUIMET: This block does not represent a program committee. I have not shown the programming committee on this chart, as I have on the other one. Here the head of programming, together with some of his assistants in radio programming and television programming, together with the supervisors of specialized areas of programming, meet as a committee every week. In fact they may meet more often than every week when there are special problems to be dealt with; all problems of programming are discussed at those meetings. But, the matter does not end there. There may be a problem of programming which is still unresolved by this group, in which case it is referred to the executive group of the division and, if the problem still remains, the matter is referred to Ottawa.

Mr. HORNER (*Acadia*): I do not want to go away under a wrong impression, and if what I say is not correct, I want to know what is. It appears to me from what you have said that, in a sense, no one is responsible through the line of authority, and your authority is all finalized at group meetings?

Mr. OUIMET: No, that is not correct. For example, the supervisor of children's broadcasting, or the supervisor of news is responsible to do his job within the policies and the standards established; but, in programming, the establishment of policies which would be so specific as to cover all the possible cases that come up in broadcasting, is an impossibility. It is because of this you must have this consultation upwards on any point where the supervisor may not be sure that he is working exactly within the policies established.

Mr. HORNER (*Acadia*): I do not want to prolong this issue but I want to have it cleared up in my own mind. In other words, the head of each area of programming is responsible for the programming carried out in his area as long as he has had the go ahead under the general programming committee?

Mr. OUIMET: Yes, and so long as he stays within the policies and the standards of the corporation.

The CHAIRMAN: Mr. Baldwin, is your question supplementary?

Mr. BALDWIN: Yes, it is, and it is at a little higher level. Since I initiated a general discussion along these lines at the last meeting, in order to make it a little more coherent I would like to make a comment.

Perhaps, Mr. Ouimet, I might have more success at this time than we were able to get last time. Reading through the 1959 committee reports at page 25 I noticed some very pertinent observations made by Mr. Jennings when he said:

Within its resources C.B.C. has made the democratic compromise of trying to serve all of the people some of the time rather than some of the people all of the time.

And he also said:

One of the tests of healthy democracy is the tolerance of unpopular minority opinions, of new expressions of art and ideas, either native or imported, which are essential to the nation's development.



That connotes, I suggest, very substantial authority to make decisions within these suggestions. What I want to know is this: who makes the decisions? How are they made, and why? I do not want to get into policy, but I do want to know who makes the decisions, how they are made, and why. When we come to questions of programs later, we may be able to examine the people who are instrumental in making the decisions.

As a first step, I would like to ask Mr. Ouimet if he can tell us where and when their meetings are held, if the complete scheduling is originated for the ensuing year which divides into subject matter such as music, magazines, documentary policy, and so on when these questions are examined; and is there any particular time or occasion in your meetings to look ahead when a group or individuals may sit down and set out a complete but tentative schedule for the ensuing year? If so, where is it, and who does it?

Mr. OUIMET: There is a definite time for it which has been moved forward in recent years because we have been trying to advance our planning considerably over what we could do before. This year we were doing the planning for next fall, the fall of 1961, in the fall of 1960. The shaping of the schedule is a continuing and prolonged process.

You start with what you did the previous year, and you have general directives which are given by management from Ottawa, or by the divisional management. With these directives the planners, who are these people here, the divisional programming and the program supervisors, establish a schedule in its preliminary form.

Mr. BALDWIN: Might I interrupt for a moment: when you say a schedule in its preliminary form, would this be the existing schedule for this fall plus such possible changes, or suggested changes, as may be considered and brought to the attention of those who make the decisions?

Mr. OUIMET: That is correct. We try to improve them year by year. There are some things which have to be taken out of the last schedule, and there are new things which have to be added. There may be re-orientation of the schedule itself.

All of this programming work involves more than programming decisions, because it has to be costed. The costing process is quite an elaborate operation. And furthermore the programming and the costing must be related to the revenues which we will get commercially, because we also have commercial operations. This actually takes place over a period of several months. Actually, the final schedule for the fall of 1961 is not yet complete, but it is nearing completion. I am told that we are at draft 11 at the moment.

Mr. BALDWIN: You say you are at draft 11. Who is at draft 11? Just where is it now?

Mr. OUIMET: It was discussed, in the first place last fall in the division concerned—and since I am talking about the French network division, it was discussed in Montreal with the general manager of the division during one of his trips to Montreal.

Then, when they have something concrete enough, the schedule comes to Ottawa for discussion. A discussion of the fall schedule for 1961 took place in Ottawa, I believe, in January of this year.

Mr. BALDWIN: Who are the people, having regard specifically to the French network television, who originally conceived this tentative schedule before it got to Ottawa?

Mr. OUIMET: The programming people together with the head of the division in Montreal.

Mr. BALDWIN: And they would have originated it?

Mr. OUIMET: And the general manager of the French division.

Mr. BALDWIN: They would have held meetings, and they would come up with a tentative schedule?

Mr. OUIMET: That is correct.

Mr. BALDWIN: Then the tentative schedule, I suppose would be submitted to the Ottawa staff of the program council, or the program advisory committee of the board of directors?

Mr. OUIMET: It goes first to the program council.

Mr. BALDWIN: That is, the three general managers?

Mr. OUIMET: The three general managers and the vice-president of programming. Then it is worked upon. Modification may be suggested, and it may go back to the general manager concerned, and back through him to the divisional programming head. But once it has been found satisfactory by the program council it is referred to the vice-president, who is in charge of current operations, and to me. And generally it would be considered, then at a meeting of practically the whole of the executive of the corporation at the top management level.

Mr. BALDWIN: After having gone through you, does it then go up to the board of directors for final approval? Is that a matter over which they have specific control or does it stop with you?

Mr. OUIMET: In practice we report the major changes in the trend of the schedule, in the nature of our overall programming effort, but we do not try to discuss the schedule in detail at the board level because it is such a complex and specialized operation that it would be difficult to deal with in that kind of discussion. But it is taken, nevertheless, to the program committee so that this committee may express its general wishes about the schedule.

Mr. BALDWIN: In actual fact it would go to you, and then after having been completed, and the full general policy discussed, it would then go downward to be carried into action, to be implemented at various lower levels?

Mr. OUIMET: Yes, and I might add that the process of change continues after that, because it is one thing to authorize a schedule, and another thing to carry it out in practice. Many things can happen in the meantime, which modify our planning to a certain extent. There may be changes made to the schedule in due course, and they would have to come back for approval again.

Mr. BALDWIN: I have one more question. It differs from this. There was a change the other day, I assume, when you put on an actual program, an actual half-hour following the launching of the Russian space missile. Could you tell us if it is a policy decision to change a program and to substitute one program for another, and if so, who makes the decision?

Mr. OUIMET: In this particular case, and in all cases where sudden developments require a change in our schedule, it is not possible to refer those changes through the same long process that I have already described. So, in that case our own people in the English language division would meet on it, and would make the decision.

Mr. BALDWIN: When you say "our own people", who would they be?

Mr. OUIMET: They would be the executive and the programming head.

Mr. BALDWIN: Thank you, Mr. Ouimet.

The CHAIRMAN: Mr. Danforth?

Mr. DANFORTH: This is following along the explanation given by Mr. Ouimet at the last meeting. There was a question I would have liked to ask at that time, and it does follow the general theme today. I think, Mr. Ouimet, in connection with radio and television, in the divisional centers that you said, if I remember correctly, that the scriptwriters came under the programming liaison. Am I right in that understanding?



Mr. OUIMET: They come under program services.

Mr. DANFORTH: May I ask this: in your scheduling of a particular series of drama or themes, when is it decided, after such a plan has been adopted, that you must have scriptwriters? What I want to know is this: are there on the staff at each of these divisional centers men or women who are hired by the corporation as scriptwriters, or do you bring in outside scriptwriters with a particular talent in a given field? Are the scriptwriters people who belong to the staff, or do they work for a particular division, or for the network as a whole?

Mr. OUIMET: Generally speaking we do not have our own writers except for very routine work. But if you are thinking of a play, or the adaptation of a play, this is done by an outside writer who submits his work to us; or, in certain cases, we may commission him to do it. They are not C.B.C. employees as a rule.

Mr. DANFORTH: May I ask a supplementary question: if you wish to develop a particular theme either for a single broadcast or for a series—you may pick anything as your own example—what is the procedure? Suppose you develop a theme, and suppose you wish to have a series, and suppose it requires scriptwriting. What is the procedure in such a case?

Mr. OUIMET: If it is a series which has been thought of in the first place by one of our own producers or supervisors then, in that case, he has to find a scriptwriter who is an expert in the field in which this particular series falls. If it is something on the history of Canada, for example, then he must find somebody who can write about historical things. It is a question of selecting the best man for it.

Mr. DANFORTH: Who then has the authority to place this work in the hands of a particular scriptwriter? Who has that authority? You say that this theme has been decided upon, and that someone will have to be set to work doing it. Who hires that particular man?

Mr. OUIMET: It is the supervisor in the area in which this particular series is going to be produced. If it is a children's series it is the supervisor of children's broadcasts. He has to stay within certain standards and limits of fees which are firmly set and, if he cannot find a writer for a certain fee, then he will have to go upwards to get approval.

Mr. DANFORTH: May I pursue that a little further? Then, in practice, in the particular fields as outlined on your chart, there are certain writers or scriptwriters in Canada to whom work is directed if something comes up within their particular areas? I take it that is general policy. Are there specific writers on whom the C.B.C. continually relies?

Mr. OUIMET: No, not particularly. We rely on the writers whose experience and whose competence have been proven over the years, and we may try other writers at other times as part of our development program for writers.

Captain W. E. S. BRIGGS: (*Vice-President, Canadian Broadcasting Corporation*): On the point of new writers I think Mr. Hailey was a good example. I am sure members of the committee will remember a number of his plays. At one time he was quite unknown, then he worked with us, was developed by us and became a terrific success, not only on our networks but in the United States as well.

Mr. DANFORTH: Then, if his work has been accepted as passable by the C.B.C., would it not be natural to assume that if work in his particular field comes up it will be referred to him for consideration?

Captain BRIGGS: No, sir. He would refer it to us. He is now very well established and he may write on any subject at all in drama. You would not know if it would be comedy, a mystery, or what it might be that he would write.



Mr. OUMET: I believe it is the other way around. When Mr. Hailey has decided to write something and thinks it would be of interest to the C.B.C. he brings it to our attention. He does not need any more training or encouragement.

Mr. DANFORTH: I cannot get this picture quite clear. There must be definite script writers who have particular aptitudes in specific fields and there must be lists of those men in some department of the C.B.C. I am speaking of men who are particularly qualified in certain areas; and so, if a specific instance comes up, whoever is responsible for a particular program must know the writers in that field and will refer the work to them.

Captain BRIGGS: I think that is not true in this sense. First of all, you must remember not only in Canada but everywhere today there is a terrific shortage of writers. I think this is particularly true since the advent of television, which is like a sausage mill grinding out things so fast that you cannot keep up with the demand. Certainly this is the experience in Britain, the United States and here. But, to come back to the specific point raised, I think it is partially true in certain areas. If we were going to do a series of, say, dramas connected with the sea, and if the ocean were the theme I think it is quite inevitable we might think of three or four people who have a certain understanding of and sympathy for the sea, and it might be one of those who would do the series for us. For example, if it were a series on the sea it might be someone like Joseph Schull, who has been a very successful writer in that sphere.

Mr. DANFORTH: That, Mr. Chairman, is the information I have been seeking. There must be some working arrangement whereby the men responsible for such programs know, either by reputation or by work done for the C.B.C., of specific writers who deal with a specific subject matter.

Captain BRIGGS: It works two ways. First of all, we have a script bureau to which any writer may submit his suggestions, whether in outline form or in complete form.

Mr. DANFORTH: A script bureau of the C.B.C.?

Captain BRIGGS: Yes, of the C.B.C. This is where we accept all the scripts sent in.

Mr. DANFORTH: All the scripts?

Captain BRIGGS: Yes, all scripts.

Mrs. CASSELMAN: Where is that bureau?

Mr. H. G. WALKER (*General Manager, Networks Broadcasting, English*): In Toronto and in Montreal.

Mrs. CASSELMAN: There are two of them?

Mr. WALKER: Yes.

Mrs. CASSELMAN: How many are employed by each bureau?

Mr. WALKER: I should have to look that up; I cannot tell you offhand.

Mrs. CASSELMAN: But approximately?

Mr. WALKER: I should have to look it up. We have a number of play readers, play doctors, and so on, and it may amount to about a dozen.

Mrs. CASSELMAN: A dozen in each case?

Mr. WALKER: I am speaking of Toronto.

Mr. DANFORTH: I have one or two supplementary questions. I was unaware of the existence of this script bureau. That, in itself, would give the C.B.C. a whole field, something like a library of specific men to which it may refer. There you have script writers who have submitted scripts in various fields and

they have been judged for their suitability and examined for their technique. Would this, in itself, not provide a field for the C.B.C. to look into for a particular talent?

Captain BRIGGS: Yes, sir, it does and the way it works is this: you may have a completely unknown who submits something to the script bureau. It may appear to our people to have no merit whatever or, on the other hand, it may appear to have merit but the writer, the author, has had no experience in our particular field. Even though the writer may be experienced in writing for radio he may have no experience of writing for television. Writing for the two media is somewhat different. If it is an unknown writer who appears to have merit our people will keep in touch with him, in fact work with him, make suggestions to him, and this may go on over a period of months. This unknown may then develop to the point where his work is accepted and used and he can become quite a well known writer.

Mr. DANFORTH: I have one further supplementary question, Mr. Chairman. I should like to know the chain of procedure in examining a particular script after it comes in, as to its suitability, subject matter and its form before it is broadcast by radio or submitted to television production. Who, in effect, is the censor or the judge?

Mr. OUMET: The script comes to the script bureau and the script bureau weeds out those which are obviously not up to the quality required.

Mr. DANFORTH: When you say it comes to the script bureau and it weeds out unacceptable scripts, I want to know, on a particular theme, is work given to more than one script writer?

Mr. OUMET: I do not think that generally it would be given to a team because it would be too costly a procedure to do it that way.

Mr. DANFORTH: I fail to understand your "weeds out".

Mr. OUMET: I was simply talking about the inflow of scripts.

Captain BRIGGS: Does Mr. Danforth mean script readers or writers?

Mr. DANFORTH: Perhaps it is a script reader about whom I am talking. I am asking what happens when a specific task has been submitted to a writer for a definite program and he submits his work to the C.B.C. What happens then?

Mr. OUMET: Now I understand your question. You are talking about a script which has been commissioned by the C.B.C. on a particular subject?

Mr. DANFORTH: Yes.

Mr. OUMET: Well, in that case the script bureau would simply serve the function of reading it to make sure that there were no serious, important changes to be made but, generally speaking, all the work of acceptance of that script would be in the hands of the supervisor concerned, with reference to the division program head. So, if we are talking about a drama script, if it is a TV drama it goes to the supervisor of that particular drama series who would have the responsibility, to decide whether the script is suitable. Then, if there is any question about its suitability, it must be referred to the director of programs for the division.

Mr. SMITH (*Simcoe North*): Once a program series has been set, the person with the immediate responsibility for the content of the individual programs in that series is the divisional supervisor of the class of programs concerned. For instance, the divisional supervisor of children's programs is the person who is immediately responsible for the content of a program within that series?

Mr. OUMET: That is right.



Mr. SMITH (*Simcoe North*): And the public affairs supervisor has the immediate responsibility for the content of a program within an authorized series of public affairs programs?

Mr. OUIMET: That is correct.

Mr. SMITH (*Simcoe North*): I have one further supplementary question. Assuming a person thinks he has a program that should be saleable to the C.B.C., should his line of attack be at the level of Mr. Hallman, or should he attack it at the level of the supervisor of the class of programs in the division concerned?

Mr. OUIMET: My best advice is to attack it from the level of the script bureau and the supervisor of the area in which the script would fall.

Mr. M. J. A. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): Following on Mr. Danforth's questioning, Mr. Ouimet has indicated that a script would be submitted to the supervisor concerned and, if he finds any difficulty with it, he goes higher up. What happens, if in the opinion of the supervisor, the script meets his conception of the program concerned? Is the script accepted at that level or does it go through further review?

Mr. OUIMET: All the titles of programs that are planned ahead are reported by the supervisor of the area concerned to his boss, so that his boss can double check. In other words, it is not all left to the supervisor. If, for example, there is a play which a supervisor is planning on a subject that might, perhaps, be questioned, in that case the director of programming knows that the play is being considered because it has been reported to him, in which case he himself may question the supervisor about it and may follow the matter up. In addition to that, there are committees for various series of programs. For example, the Wednesday night series on radio is supervised closely through a committee known as the Wednesday night committee, and the same thing applies to other major series of programs which we transmit.

Mr. LAMBERT: What I am concerned about is that a commissioned script might meet the requirements of a supervisor within his own limitations, but it does not meet the general policy of the corporation with respect to broadcasting. A program goes on the air and the phones start ringing. At that level where is the responsibility fixed for such a program and for the departure from the policy of the corporation?

Mr. OUIMET: In recent months we have had a few programs such as this, where the phones did start ringing after they were broadcast. In all such cases the programs had been considered and approved by the divisional program head, and so there was no question of the supervisor alone having made the decision.

Mr. LAMBERT: This is standard procedure?

Mr. OUIMET: Right.

Mr. PITMAN: I also have a supplementary to Mr. Danforth's question on the script bureau. I assume that only non-commissioned scripts are actually submitted to the script bureau. Are all scripts submitted to the script bureau?

Mr. OUIMET: All kinds of scripts.

Mr. PITMAN: And, commissioned scripts, say, from Mr. Hailey and Mr. Schull also would go to this bureau?

Mr. OUIMET: Yes. They have to be submitted to the script bureau for copyright clearance and many other associated aspects; however, not necessarily for the content of the script itself.

Mr. PITMAN: I am very interested in this script bureau. Could you tell me how many read a play or program when sent to the script bureau? Is it decided by one man or woman in the bureau that this script is suitable or unsuitable for the C.B.C.?



Capt. BRIGGS: If I may comment on this question, the script is submitted to the script bureau. It may be read by a number of people in that bureau, or it may be read by only one person. If the person who is reading it thinks it is a very good script, they simply may send that along, say in the case of a drama, to the drama people, or they may know of a specific producer who is looking for scripts in this particular area. They will say, "Here is a script which appears to us to be a good one," and this producer may read it. He may be keen on it, while another one may not. To answer you, I would say that a majority of them are scrutinized by more than one person, and in some cases, by several persons.

Mr. PITMAN: I just wanted to make sure that one person only does not determine the scripts which are used.

Someone mentioned a script doctor; what is the effect of that position?

Mr. OUMET: A script doctor is a good writer who can help the original writer to improve a script which may not be satisfactory in the first place.

Mr. PITMAN: Is this a part of your development program?

Mr. OUMET: Yes.

Mr. PITMAN: I have a final question. Does the C.B.C. publish any brochure, which could be sent out to young writers, in connection with television and radio writing, in particular? I have found that writers are very skeptical about writing for radio or television, because it is such a specialized field, and they do not feel at home.

Mr. OUMET: Yes, we do have such a brochure, and it is sent out to those people who inquire about scripts and the way we handle them.

Mr. PITMAN: Do you have any idea how wide a distribution there is of this brochure?

Mr. WALKER: Some thousands were printed, and they are being asked for continually.

The CHAIRMAN: Have you a supplementary question, Mrs. Casselman?

Mrs. CASSELMAN: Yes. I do not understand where the co-ordination of all this comes in. Obviously, there is a great deal of care taken by each of the divisions, but is it the program committee who chooses the extremely good works in each division for viewing across Canada? I am interested in the duplication of these, and it seems to me there must be extremely good work done in certain departments of each division. Is it up to the program committee to watch this and make it available to other divisions, or how is this integrated?

Mr. OUMET: Actually, this particular problem really is not a serious one in the corporation. In the first place, obviously the work of the various producers, say in the public affairs area, is co-ordinated by the head of public affairs, and the same thing applies for all other program areas. Now, possible duplication, say, between public affairs and outside broadcasts is a matter which must be co-ordinated, and duplication must be avoided by their chief, the head of programming for the division. So, because of the numerous meetings which are held between the various supervisors and the several program specialists, it is possible to co-ordinate very well the whole activity of that division. This is the French network division here; the same thing goes on in the English network division, and there is very little duplication between the two. It is the responsibility of the general managers to the program council in Ottawa to make sure that the divisions themselves are co-ordinated.

Mrs. CASSELMAN: I do not mean duplication within the division, but from one division to another. Is there any trading back and forth so that there is a saving of duplication on good public affairs broadcasts, say in Calgary and Halifax?

Capt. BRIGGS: I think you have posed three questions in one.

If, for example, it is in drama, this would be avoided through the script bureau. If a region such as British Columbia, for example, wanted to do a particular series, they would know if it had been on the national network and, if so, they would not want to duplicate that. In a case where they might be requesting material for a series from the bureau, the bureau would know whether it was planned to use that series on the national network in the future, and, if so, British Columbia would not use it, or they would be told: Yes, this is free for use.

If you are getting to the question of an exchange of programs, this is done. There are a number of programs which are done in British Columbia on a regional basis only, and they will be exchanged with other regions. Does that answer your point?

Mrs. CASSELMAN: Yes. You say that the national network would be planned ahead and this would avoid duplication. However, this is exactly the point I am getting at. When they have planned ahead for a certain type of drama, do they look for the British Columbia region to do it, if they are good at that type of thing?

Capt. BRIGGS: Yes.

Mrs. CASSELMAN: Is this how they spread it around and divide it up?

Capt. BRIGGS: Yes. This, very definitely, is in the planning, Mr. Chairman. We have been talking about the planning of a schedule in advance, and, to do it, we have to attempt to plan at least 15 months in advance. There are many changes right up to the time of the schedules being implemented. One has to plan at least 15 months in advance, and in some cases we have to go further than that and plan 18 months in advance. In connection with that planning, sitting down with our national program people will be representatives of the various regions. Take, for example, British Columbia; we might request them to supply certain programs. The same thing applies in respect of the prairies and the maritimes. Therefore, there is regional participation on the national schedule.

Mrs. CASSELMAN: Is it possible to foresee the time that the national production its entirety, would be an amalgamation of these regional contributions?

Mr. OUMET: At the moment, about 35 per cent of our English language productions come from what we call the regions, and I think 65 per cent comes from our main network center in Toronto. Production is distributed already to the various regions, and it is our policy to try to encourage regional contributions to the greatest possible extent. However, there are practical limits to what we can do because of costs, and also because of talent resources. Of course, it happens that the largest cities act as magnets for talent, just as in the case of London, Paris, New York and Hollywood.

Mr. SMITH (*Simcoe North*): It is cheaper to move the talent than it is the production facilities.

Mr. OUMET: Yes, although we are doing pretty well now in encouraging talent in Vancouver, Winnipeg and Halifax. We have not only their contributions to the network, but also the local programming produced in these areas for local consumption. However, I do not think we have reached yet the sort of distribution between the various areas of Canada which we would like to achieve. I think we can go a little further than we have.

The CHAIRMAN: Have you a question, Mr. Pickersgill?

Mr. PICKERSGILL: Mr. Chairman, I had a question, which was supplementary to the question asked by Mr. Pitman in connection with these script



doctors. I was wondering what kind of people they were, and if, for example, Mr. Ouimet would think that Mr. John Fisher would be a good sample of a script doctor.

The CHAIRMAN: Mr. Ouimet, would you like to answer that question?

Mr. OUIMET: This is a matter on which I have no opinion whatsoever.

The CHAIRMAN: Have you a question, Mr. Macdonnell?

Mr. MACDONNELL: Mr. Chairman, I really should make a double apology, because I am afraid I am not at the higher level but at the lower level.

Perhaps what I shall say will be answered by those who were on the committee a few years ago. I am sorry, but I did not have the pleasure of being on that committee.

Mr. Chairman, my problem is this: We have had a good many meetings, and I just asked myself what we could report if we had to report after this meeting this morning. I answered it myself, and I think all we could say is that we have had a very interesting account of the operations of this most complicated and difficult organization. I know it is all very interesting. But, to be perfectly honest, we would have to say that we do not really know anything about it, and that we have no comments to make. We have sat and listened, and have had our questions answered. I have a feeling that up to the present time, while nobody intended it, we have been in the position of a lot of very agreeable rubber stamps. This is not Mr. Ouimet's fault or anyone else's. He has given us a very interesting account of what goes on. Yet, I have a feeling—and maybe this is going to be dissipated by what happens in the future—that at the moment we have had a curtain placed in between us and the corporation itself. It is a kind of a paper curtain. This is a committee to do certain things, et cetera, et cetera, but for myself—and those who were on the committee two years ago may tell me I am wrong—I could not make any intelligent comment on this, except to say that it was very pleasant. Unfortunately, I am not able to make suggestions, and to be sure that they are practical ones. I know what my objective is. We should get a close-up of this, although I realize this is very difficult.

Mr. SMITH (*Simcoe North*): That is a very interesting word.

Mr. MACDONNELL: I realize how much more difficult the board of directors' job in this corporation is from what it is in an ordinary company, for they largely have to be satisfied that the business is making money. We have not that acid test here. The corporation spends a lot of money. We know there is a great deal of criticism, and we know that we are supposed to offer an opinion. May I say that I am a great believer in the C.B.C. I want it to do well, and I want to be in a position to argue for them.

The thing which comes to my mind is this: Is it possible that we could follow through with one operation, say for instance the operation of the finance committee. Perhaps if we really knew what it does, in detail, we would feel we have the close-up that I want.

It occurs to me there was one lump of 2,400 employees. I am not sure where that was—

Mr. OUIMET: In Montreal.

Mr. MACDONNELL: —but it would appear to me that if we could get a close-up on what these 2,400 people are doing, and who is responsible for them, that it might be a help. I am just throwing this suggestion out, and I am doing so with very little confidence.

Another thing is this: I think there were a certain number of criticisms two years ago in this committee, and at that time there were suggestions made as to changes. I think it would be of value if we could know just what these were, and to find out exactly what has been done in respect of each.



I apologize for berating at this time; and yet I do not apologize either, because if there is anything in what I have said we should be considering it now and trying to see whether or not we can get this close-up to which I referred. At the present time I do not see where it is to come from.

Mr. HORNER (*Acadia*): I do not wish to comment too much on what Mr. Macdonnell has said except to say that this is supposed to be a close-up on the organization of the C.B.C.

I have one question dealing with the line of authority. At what level in the organization of the C.B.C. do the sales or purchases of programs take place?

Mr. OUMET: The sales themselves take place in the division concerned. The sales of French network programs take place in the French network division. The sales of English network programs similarly take place in the English network division, and the sales of, say, Vancouver programs take place in Vancouver.

Mr. HORNER (*Acadia*): There is a sales department attached to every production center, shall we say.

Mr. OUMET: Yes; every major production center. Of course, we have small radio stations where the sales may be handled in a different way.

Mr. HORNER (*Acadia*): That fairly well answers my inquiry on that point. Then what happens in respect of purchasing? You do purchase video tapes of programs produced somewhere else?

Mr. OUMET: The purchasing program is a separate thing. The purchasing of supplies, for instance, stationery, coal or fuel, is decentralized to the divisions.

Mr. SMITH (*Simcoe North*): The question concerned programs.

Mr. HORNER (*Acadia*): It is programs in which I am interested.

Mr. OUMET: Of course we do not purchase many programs, but when we do it is the responsibility of the programming officers. Are you speaking of films?

Mr. HORNER (*Acadia*): Yes. I mentioned video tape.

Mr. OUMET: It is the responsibility of the film department to make the transaction. In other words they buy it, but the decision as to what the film will be is the responsibility of the programming division.

Mr. HORNER (*Acadia*): The film department in each production center, the head office, or where?

Mr. OUMET: We are now talking about the headquarters of the English network or the French network.

Mr. HORNER (*Acadia*): All right. Then there are two film departments in Canada which do the purchasing.

Mr. OUMET: No. There are also film departments in Vancouver, Winnipeg, Halifax and Ottawa.

Mr. HORNER (*Acadia*): And they all purchase programs for their own use. Who does the purchasing for the network?

Mr. OUMET: The film department in Toronto for the English network and the film department in Montreal for the French network, but as I have already said they do the mechanical and administrative work of the purchasing, while the responsibility for the kind of program purchased is the responsibility of the programming division.

Mr. HORNER (*Acadia*): This seems to me to be quite a responsibility. Who arrives at the decision? Surely this is at a higher level than what you suggest this morning. I am thinking of the matter of determining what price will be paid for a program.

Mr. OUIMET: The price of films generally is set in accordance with the practice which has developed in the United States and in Canada, and is related to the rate charged for the time of the station. There is a time rate for each station when we sell commercial programs. Therefore, if a station has a time rate of say \$400 per hour, the cost of the film for that station will be related to that rate.

Mr. HORNER (*Acadia*): I am thinking particularly of a program I saw on Saturday, world of sport. I am using this only as an example. I enjoyed the baseball game very much, but hated the ending. At what level is a program such as this purchased.

Mr. OUIMET: In this particular case it was a sponsored program coming from the United States. We did not pay anything for this; we got paid for showing it.

Mr. SMITH (*Simcoe North*): Do film programs get into your programming schedule in the same way as programs originated in Canada by the C.B.C.; do they find their way into your programming schedule in exactly the same way?

Mr. OUIMET: They find their way as a series, but the individual title, of course, is subject to change at the last minute; it depends on what we can get.

Mr. HORNER (*Acadia*): I have a feeling I may not be making myself clear. You are not answering my questions as to the extent, or the level at which, major programs for the network are purchased.

Mr. PICKERSGILL: From whom?

Mr. HORNER (*Acadia*): It does not matter. At what level is the purchase of programs?

Mr. OUIMET: Are you speaking of feature films?

Mr. HORNER (*Acadia*): Yes, for the network.

Mr. OUIMET: It is just feature films, because we do not buy other programs except syndicated films.

The CHAIRMAN: Gentlemen, we must adjourn at this time.

Mr. MCGRATH: Before we do so, may I make one suggestion. In 1959, when Mr. Ouimet was unable to attend the hearings, there were certain specific recommendations made and a certain line of questioning followed regarding commercial sales. I am wondering if the president at our next meeting would outline the organization in respect of these commercial sales.

The CHAIRMAN: It is on our agenda.

Mr. McCLEAVE: May I make a very brief suggestion? Like Mr. Macdonnell I feel befuddled. Could Mr. Ouimet, or someone in the C.B.C. take that chart, which is a mixture of positions and divisions, and for each block on it say who is represented there. I take it that programming is the director of programming and CBM probably is the station manager. I think this would be an enormous help.

Mr. OUIMET: This block on the chart represents a person; this represents a district; this is a director; this is perhaps an assistant director. This is nothing else but the actual department in each case.

Mr. HORNER (*Acadia*): Could we have a list of the number of persons employed in these various departments. Particularly in the case of sales, I would like to know how many persons there are; then how many persons are employed on public affairs, and so on, in each network division.

The CHAIRMAN: We will have to close our meeting as there is another committee about to meet in this room.

The committee adjourned.

## SPECIAL COMMITTEE

## APPENDIX "A"

BOARD OF BROADCAST GOVERNORS  
BUREAU DES GOUVERNEURS DE LA RADIODIFFUSION

Transportation Building,  
48 Rideau Street,  
OTTAWA.  
14 April, 1961.

Mr. A. Chassé,  
Clerk of Committees,  
Committees and Private Legislation Branch,  
House of Commons,  
West Block, Room 232,  
Parliament Bldgs., Ottawa.

Dear Mr. Chassé:

You will recall that at the meeting of the Special Committee on Broadcasting on Thursday March 23rd the Board was requested to prepare a redraft of Section 17(1)(b) of the Broadcasting Act to clarify for the Committee the views of the Board on the application of this particular section.

I am enclosing for the information of the Committee sufficient copies of the Board's proposed redraft in both English and French. I assume you will wish to distribute these to the members of the Committee.

Yours very truly,

(Signed) W. D. Mills,  
Secretary.

*Suggested revision of Section 17(1)(b)  
of the Broadcasting Act*

(1) No licensee shall

- (b) broadcast a program, advertisement or announcement of a partisan political character which relates to the election of a member of the House of Commons, the legislature of a province, or the council of a municipality, on the day of such election or on the two days immediately preceding any such day, provided that this sub-section shall
  - (i) not apply to such program, advertisement or announcement made after the closing of the polls on the day of the election,
  - (ii) in the case of federal or provincial by-elections, or municipal elections, be applicable only to those licensees whose stations serve the area in which the by-election or municipal election is being held.



(Traduction)

*Modification proposée à l'alinéa b) du paragraphe (1)  
de l'article 17 de la Loi sur la radiodiffusion*

(1) Aucun titulaire de licence ne doit

b) radiodiffuser une émission, une annonce ou un avis d'un caractère politique reposant sur l'attachement à un parti qui se rapporte à l'élection d'un député à la Chambre des communes, d'un membre de la législature d'une province ou du conseil d'une municipalité le jour de ladite élection ou les deux jours qui précèdent immédiatement un tel jour, sous la réserve que ce paragraphe

(i) ne s'appliquera pas à une émission, à une annonce ou à un avis radiodiffusé après la fermeture des bureaux de scrutin le jour de l'élection,

(ii) dans le cas d'élections complémentaires fédérales ou provinciales, ou d'élections municipales, ne s'appliquera qu'aux titulaires de licences dont les postes desservent la région où a lieu l'élection complémentaire ou l'élection municipale.



HOUSE OF COMMONS

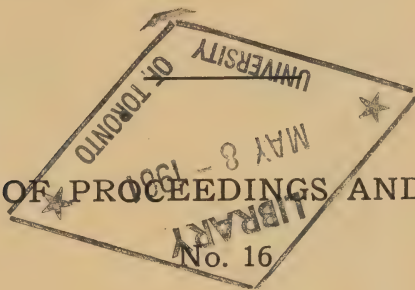
Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

MINUTES OF PROCEEDINGS AND EVIDENCE



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THURSDAY, APRIL 20, 1961.

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, and  
Mr. Marcel Carter, Vice-President, Administration.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Bourbonnais  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forgie

Fortin  
Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell

Morissette  
Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, April 20, 1961.

(17)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Allmark, Baldwin, Caron, Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, McGrath, McIntosh, McQuillan, Pugh, Regnier, Richard (*Ottawa East*), Simpson, Tremblay, Webb—(22).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet, President; Mr. Marcel Carter, Vice-President, Administration; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. Marcel Ouimet, General Manager, Network Broadcasting, (French); Mr. H. G. Walker, General Manager, Network Broadcasting (English); Mr. Barry MacDonald, Director, Policy Section, Corporate Affairs.

Before proceeding with the business of the day the Committee was informed that a return, requested on Tuesday, April 18th by Mr. Chown, showing the names of senior officers at Head Office, had now been filed by the Canadian Broadcasting Corporation. It was agreed that the said return be taken as read. (*See beginning of today's evidence*).

The Committee resumed from Tuesday, April 18th, its adjourned inquiry into administration of the Canadian Broadcasting Corporation.

Mr. Alphonse Ouimet was recalled. The witness answered a question asked by Mr. Pugh on March 14th (*see page 237*), regarding dismissals and thereafter was questioned on the review of the affairs of the Corporation he had previously presented to the Committee. Some of the questions were answered by Mr. Marcel Carter.

During the interrogation questions by Messrs. Chown, McIntosh and Horner (*Acadia*) were taken as notices, for reply at a later date.

And the examination of Mr. Ouimet and others still continuing it was adjourned to a later date.

At 11.02 o'clock a.m., on motion of Mr. McGrath, the Committee adjourned to meet again *in camera* at 9.30 o'clock a.m. Tuesday, April 25th, 1961.

Antoine Chassé,  
Clerk of the Committee.





## EVIDENCE

THURSDAY, April 20, 1961.

9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman and gentlemen; we now have a quorum and the meeting will come to order.

On April 18, Mr. Chown requested a return showing the names of senior officers at head office and I have a reply from the director of policy section of the Canadian Broadcasting Corporation, Mr. Barry MacDonald, giving that list of names. I now ask that it be taken as read. Is that agreed?

Some hon. MEMBERS: Agreed.

The list reads as follows:

### CANADIAN BROADCASTING CORPORATION

#### *Senior Officers—Head Office*

M. Carter, Vice-President, Administration  
V. F. Davies, Comptroller  
R. C. Fraser, Vice-President, Corporate Affairs  
J. P. Gilmore, Vice-President, Engineering and Operations  
E. S. Hallman, Vice-President, Programming  
C. Jennings, General Manager, Network Broadcasting (Regional)  
R. P. Landry, Vice-President and Assistant to the President  
M. Ouimet, General Manager, Network Broadcasting (French)  
H. G. Walker, General Manager, Network Broadcasting (English)

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W. T. Armstrong, Director of Information Services  
J. M. Beaudet, Assistant Vice-President, Programming  
D. G. Crone, Director of Management Services  
W. Duffield, Director of Planning  
R. E. Keddy, Director of Personnel and Organization  
A. H. M. Laidlaw, General Counsel  
B. MacDonald, Director, Policy Section, Corporate Affairs  
W. A. Macdonald, Director of Public Relations  
D. C. McArthur, Director of Special Program Projects  
C. B. McKee, Director of Industrial and Talent Relations  
N. M. Morrison, Director of Research  
F. Mutrie, Director of Operations  
F. Peers, Director of Information Programming  
J. Pelland, Director of Accounting Services  
W. G. Richardson, Director of Engineering  
O. J. W. Shugg, Director of Sales Policy and Planning  
C. G. Spence, Internal Auditor  
C. E. Stiles, Director of Purchasing and Stores  
J. J. Trudeau, Director of French Section, Corporate Affairs  
D. C. West, Director of Operations Control  
G. Young, Director of Station Relations

About a month ago, I do not know the exact date, Mr. Pugh requested a return showing the number of dismissals from the corporation and, rather than table the return, Mr. Ouimet would like to give a reply at this time.

Mr. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): The question was put to me on March 14 regarding the number of dismissals in the last four years. The number is 197 employees on our regular staff who were separated by the corporation because their work was not satisfactory. In addition, there were 11 employees on contract, whose contracts were terminated on the corporation's initiative. Of these 208, 92 were operating personnel, technical and programming, and 116 were non-operating or clerical staff. I have used the word "separation" rather than "dismissal" because these figures include resignations which were asked for by the corporation.

The CHAIRMAN: Is that satisfactory, Mr. Pugh?

Mr. PUGH: May I ask a question on that? Mr. Ouimet says that 92 were operating personnel and I take it that is in a technical sense.

Mr. OUIMET: Actually operating and also production—technical and production. I have not got the breakdown for the operating people but I may have it later this morning.

Mr. PUGH: What would the non-operating group generally include?

Mr. OUIMET: Clerical staff.

Mr. PUGH: All clerical?

Mr. OUIMET: Clerical and administrative.

The CHAIRMAN: Is that sufficient, Mr. Pugh?

Mr. PUGH: That is fine.

The CHAIRMAN: I wonder may I be permitted to ask a question of Mr. Ouimet. When we were dealing with organization, responsibility and authority, I seem to have got the impression during the evidence Mr. Ouimet gave that, in so far as programming is concerned, general outlines are made by the head office for future programming but the decision on any specific program in a series, on its content, character and, may I say perpetration, is made at the lower level in the designated area of opinions, news and so on. Is that correct or am I wrong? In effect in any single program in a series, the decision on its type, content and character may be made by the producer in the specific area. Am I correct?

Mr. OUIMET: That may be so but, if it is something in a sensitive area, it is subject to a number of controls and checks above the producer.

Mr. HORNER (*Acadia*): I have a supplementary to that. It was mentioned earlier, with regard to programming and with regard to the outlining of programs for the network for the year ahead, that the suggested headings or topics are seen by those higher up than the programming committee. I am thinking of a series of programs where the topic varies from week to week, a series such as "Close-Up", in which next week they are going to have an hour-long study on the Hutterites in whom I have been mildly interested for years. Are the headings for such a program as "Close-Up" given a year ahead? In other words, does the producer of that particular series decide far enough in advance of the program what the series will include; does he more or less decide himself what he is going to do from week to week?

Mr. OUIMET: No, that is not correct. In an area such as you have mentioned the producer has to submit his suggestions to his superior, the supervisor, and sometimes he may receive suggestions from his superior.

Mr. HORNER (*Acadia*): I just want to make myself clear. I do not know in what area "Close-Up" falls but I am thinking of public affairs.

Mr. OUIMET: In public affairs.

Mr. HORNER (*Acadia*): Who would be his direct supervisor?

Mr. OUIMET: His direct supervisor would be the head of public affairs in Toronto.

Mr. HORNER (*Acadia*): At that production center.

Mr. OUIMET: Yes.

Mr. HORNER (*Acadia*): If we were to use the example of Edmonton or Winnipeg would there be a supervisor?

Mr. OUIMET: Yes. There is also a regional supervisor of public affairs who in turn must report anything he does of that nature to the national supervisor of public affairs.

Mr. HORNER (*Acadia*): This term supervisor is new to me and I would like to follow it up. He is not the producer of a set of shows like children's programming or anything else.

Mr. OUIMET: No. He is the head of a group which includes a number of producers.

Mr. HORNER (*Acadia*): I was working on the theory of trying to find an editor who, in a sense, would edit these programs. In a sense he would be an editor.

Mr. OUIMET: Yes; in the sense of having responsibility for the content.

Mr. BALDWIN: Along the same line, would it be possible for Mr. Ouimet to say what he includes in the term sensitive area. I know you cannot be too restrictive in that, but you did say that sensitive areas should be subjected to certain added scrutiny at a higher level.

Mr. OUIMET: Yes. The sensitive areas include news, public affairs programming, talks generally, commentaries, but not, for instance, talks on women's programs—this would not be as sensitive an area as talks on international affairs.

Mr. BALDWIN: I will quickly get away from that. Would public affairs be a sensitive area?

Mr. OUIMET: Definitely.

Mr. BALDWIN: Whether people did or did not like westerns would not be regarded as a matter of sensitivity?

Mr. OUIMET: I think it is a very important question, but one which could be decided on a long term basis and would apply to all westerns. In the case of the area of public affairs each program has a separate subject, and each one, of course, can be in a sensitive field.

Mr. BALDWIN: I would like to follow this up by one more question along the lines of a matter brought up by Mr. Horner. Reference was made to the statement by Mr. Jennings that the C.B.C. considered it had to deal with matters regarding minority opinion even if that minority opinion was not particularly popular at the time. I understand there is no scientific formula. Is there any way by which the officials of the corporation decide what is a sufficiently important minority opinion to indicate it is a subject matter which needs to be dealt with.

Mr. OUIMET: This is a question of what we call broadcasting judgment. Over the years, basing ourselves on the reaction of the public we serve, I think we have come to some pretty definite conclusions with regard to what constitutes a significant public. We would not serve a public which represents only, say, one-tenth of one per cent of the public of Canada.



Mr. BALDWIN: What caused me to ask the question was a statement I read in the Fowler report which says:

We agree with Sir George Barnes, until recently a director of television for the British broadcasting corporation, that minorities have no vested right in their being recognized and therefore must be pretty large before recognition by the broadcasting organization is warranted.

Do you think that would be a fair statement of a policy which might be followed?

Mr. OUIMET: There is the question, of course, of what is "pretty large". At times we certainly serve minorities which are no more than say five per cent of the population of Canada. On the other hand five per cent of the population of Canada is still a very large number of people; it is nearly one million people.

The CHAIRMAN: Later on we will take up the audience research bureau and we may get the proper percentages.

Mrs. CASSELMAN: Mr. Ouimet, I believe you told Mr. Horner that the regional producers reported. At what stage would they report. I do not quite understand this reporting.

Mr. OUIMET: For example, if a program on current affairs is produced in the city of Winnipeg for the network, the head of talks and public affairs in Toronto for the English language network has to approve of this program before it goes on the network. On the other hand, if it is a local public affairs program for the Winnipeg station alone, in that case the supervision of the head of public affairs, English, is of a broader nature. He is not in a position physically to deal with it.

Mrs. CASSELMAN: This is my point—unless it is going to be on the network, the divisional man has complete charge of what goes out in the area.

Mr. OUIMET: I am sorry, but I missed the first part of your question.

Mrs. CASSELMAN: I said that unless it is going to be on the network the divisional man has complete charge of what is going out in the area of say, Winnipeg or Halifax.

Mr. OUIMET: Within the framework of policies and standards of the corporation, and under the supervision of the director of programs for that region, and the regional head himself, the director of the region.

Mrs. CASSELMAN: But the region is all powerful for its own local programming?

Mr. OUIMET: Within policies and subject to assessment and review by headquarters.

The CHAIRMAN: Have you a question, Mr. Macdonnell?

Mr. MACDONNELL: Mr. Chairman, may I return to Mr. Baldwin's question in connection with representation of views. I think it was a very excellent question, and I was interested in what Mr. Ouimet said about the size of minorities, and about even the 5 per cent being a substantial minority. I would like to ask this question. Does the C.B.C. find from their correspondence and so forth a questioning of their duty, which I fully recognize, to represent minorities?

Mr. OUIMET: Generally speaking, from the public, I would say not. I do not think there has been any change with respect to that over the last ten years.

The CHAIRMAN: Mr. Horner, you are next.

Mr. HORNER (*Acadia*): My question, Mr. Chairman, stems from one asked by Mrs. Casselman. In connection with the direction of authority—and I am

thinking of affiliated stations, and a network program being rebroadcast the following day, say for example on public affairs or something along that line—is it outlined from head office that the affiliated stations shall broadcast this program? If not, what is the line of authority on that?

Mr. OUIMET: I think that the affiliate would have to request permission to broadcast it at a time different from that originally scheduled. I might say that I do not know just what particular program you have in mind.

Mr. HORNER (*Acadia*): Well, I can tell you that I am thinking of the Exelby one. It was rebroadcast the following day in Edmonton, according to reports, and I was wondering just why this was.

Mr. OUIMET: To tell you frankly, I do not know; I would have to check and find out for you.

Mr. HORNER (*Acadia*): Perhaps the question will come up again later on.

The CHAIRMAN: Have you a question Mr. Pugh?

Mr. PUGH: Who would choose the producer on a network program on current affairs?

Mr. OUIMET: You mean, who would choose him for a particular program?

Mr. PUGH: Yes.

Mr. OUIMET: The supervisor of that area.

Mr. PUGH: I am referring to a national network broadcast.

Mr. OUIMET: Well, let us say that it is an English language broadcast.

Mr. PUGH: Yes. Take, for instance, "Close-Up".

Mr. OUIMET: Yes, in "Close-Up" it is the head of talks and public affairs for the network. He would be the one who would choose the producer for any one of the individual broadcasts.

Mr. PUGH: And, having decided on a program on current affairs from Toronto, the senior group then would choose the producer?

Mr. OUIMET: Yes.

The CHAIRMAN: Have you a supplementary question, Mr. Danforth?

Mr. DANFORTH: This is on the same point, Mr. Chairman. I, too, am interested in this authority, and I would like to approach the question from a little different direction, if I may. I am thinking of the number of hands that this must go through, and the degree of responsibility involved. Supposing in an area there is a particular program—and I have no program in mind—but supposing there is some particular program which does not meet popular favour, and there is objection to it. Now, what I want to know is this; how many complaints do you have to receive before the authorities check on this particular program, and where does public opinion have to be directed? I am aware of the fact that there are always a certain number of the public who are opposed to any program—and that must be taken into consideration. However, I would like to know to what degree opposition must be brought to bear on a particular program before action is taken; also, how long it is before the public get any direct results from a protest. Take, for example, a series, or something that has continuity.

Mr. OUIMET: You have been speaking of a series which was not popular, and you are asking how long it would take the corporation to take it off the schedule?

Mr. DANFORTH: Yes.

Mr. OUIMET: Well, we have very many series which we purposely include in the schedule to serve minority groups. This may represent 5, 10, 15 or 20 per cent of the population, and, of course, those series are not popular with the other 80 or 85 per cent. It is a matter of policy to provide a varied



service so that our taste is served in turn. Therefore, in those cases, they are not taken off.

Mr. DANFORTH: I would like to give a specific instance. Supposing, for some reason or other, something definitely off-colour appears suddenly in a particular series, which the public resents. What happens to that series?

Mr. OUMET: Of course, we receive public reaction reports daily, both by telephone and through correspondence. This is one of the factors we have to consider. I do not know of any series of programs which has been off-colour, as you say. However, if it is one program which is off-colour, of course, that program already has been shown by the time we are in a position to do anything about it. I do not know of any series of programs where this has happened. Very often we get a strong reaction, with respect to the content, the approach, the good or bad taste, and very often we get an entirely opposite reaction on the same program.

Mr. DANFORTH: I have a supplementary question: How much public reaction would be necessary? How many complaints would you have to receive by mail? I am thinking of the mechanics of it. What percentage reaction would be necessary before you considered the checking up or cancellation of a program?

Mr. OUMET: We cannot go on the basis of mail or telephone calls, because they are not fully indicative of the reaction of the public. For example, in one case, the Kennedy-Nixon debates, when we showed the first debate we had, I think, something like 1800 phone calls protesting the fact that we had shown it. When we did not show the second one we received, I think, 2500 phone calls and letters protesting the fact it had not been shown. Therefore, you cannot go on the basis of volume; you have to analyze the situation and, finally, you have to be responsible as to whether or not you are doing a public service in maintaining a program.

Mr. DANFORTH: Did you cancel the second one on the strength of the 1800 phone calls?

Mr. OUMET: No, not at all.

The CHAIRMAN: Have you a question, Mr. MacEwan?

Mr. MACEWAN: Mr. Chairman, I have just one question: I would like to ask Mr. Ouimet if I am correct in my assumption that, having regard to the remark he made at the last meeting, it is the policy of the board of directors to encourage the decentralization of production in areas other than Toronto.

Mr. OUMET: That is correct, but there are economic limitations, and I believe I mentioned them.

Mr. MACEWAN: Yes, but it is a general policy?

Mr. OUMET: It is a general policy.

Mr. PUGH: Mr. Ouimet used the term "off colour". Now, in the event that you feel a program is off colour, I take it there is a meeting of a higher echelon, which is going to inform the producer that his program is considered to be off colour. What makes the decision that it is off colour?

Mr. OUMET: If a program is alleged to be off colour, it is first examined carefully.

Mr. PUGH: By whom?

Mr. OUMET: In the area; I am coming to this. In the area where it is produced it is examined by the director of programs of the division of region; and also, if it is a matter of real importance, it will be reviewed as well in Ottawa, and will be seen by a number of people, including the president, the vice-president, and the general manager of the area.

Mr. PUGH: If the decision is that it is off colour, are any steps taken with the producer?



Mr. OUMET: Yes, yes. If a producer has made a mistake in our judgment, then, of course, the producer is reprimanded, and action is taken to see that it does not happen again.

Mr. PUGH: But suppose it does occur again?

Mr. OUMET: Then, if it occurred too often—perhaps “too often” might be only twice—then action would have to be taken in respect to the producer.

Mr. PUGH: You mentioned then personnel, and you used the words “dismissal” or severance”. Has any producer been severed from the C.B.C.

Mr. OUMET: I know from my own memory that some producers were severed from the C.B.C.

The CHAIRMAN: It is very delicate.

Mr. DANFORTH: I have a supplementary question. I am interested in the discussion about the Kennedy-Nixon debates. You said, I believe, there was one program followed by possibly 1800 telephone calls, when it was taken off; and then there were a greater number of telephone calls. Why then—if it was not because of the 1800 telephone calls—why were the debates taken off?

Mr. OUMET: When they were taken off it was a decision in the first instance, before the series started, that out of the four debates we would show the first one, because it was the start of the series, but we would not show the second and third. But the fourth was on international affairs, and we thought it would be of greater significance to Canada. So it was a decision taken prior to the series to show the first and the fourth.

Mr. BALDWIN: I have a question supplementary to that: you give in your brief at page 4 an illustration where you follow up the line of sequence of the program which is now called “Festival 61”.

You say on page 4:

The history of “Scope” could be written largely in terms of what might have appeared to many as failure. Week after week the corporation persisted in this then-experiment—and all too often the C.B.C. was castigated by viewers and by television critics. They were often justified in their criticism. With some exceptions the programs simply were not good enough.

Deal with that question, by the C.B.C.; who do you mean has persisted.

Mr. OUMET: In this particular case it was a question which came right to the top of the corporation, because the whole series of “Scope” was to be a prestige series for us. We had great ambitions for it, and, as it was not actually doing what we wanted it to do, we were still hunting for the right formula. So we kept with it and changed it and finally it became the series we now have by another name.

Mr. BALDWIN: Would that be done by the board of directors, or would it be done by the general manager, or the president?

Mr. OUMET: I believe the matter was discussed at the board level.

The CHAIRMAN: Are there any further questions on this subject? I think we are possibly getting a little too far over into programming.

Mr. HORNER (*Acadia*): At what level are the rates set for television viewing? I mean advertising on television? At what level of your management are the rates set for such and such a program at such and such hours?

Mr. OUMET: These are recommended by our commercial people and approved by the corporate management of the corporation.

Mr. HORNER (*Acadia*): In the case of some of the other production centers, are the rates standard across Canada, or are they varied from one center to another?

Mr. OUIMET: Oh, they vary considerably from one center to another, because the rates are based upon the audience that can be delivered.

The CHAIRMAN: I think that could be taken up under "commercial".

Mr. HORNER (*Acadia*): In other words, somebody at each center has the authority to adjust your complete records to his own choosing?

Mr. OUIMET: No, not at all. He has to submit a recommendation to the Ottawa headquarters for approval.

Mr. HORNER (*Acadia*): I shall drop the question, then.

Mr. LAMBERT: Getting away from this predilection of programming, I wonder if we might go back to the general principles of the line of authority to determine by illustration, if possible, what is conceived to be matters to be referred for board decision? What matters are those which are reserved for management at top level, and which of these are done generally at the lower executive level?

I had in mind here, perhaps as an illustration, the question of staff policy. How far does that get into the board of directors? And the matter of general programming, the over-all line—is it going to be 20 per cent, let us say, in public affairs and so forth? And are those board decisions, or are they merely management decisions?

Mr. OUIMET: I believe it would be simpler for me to tell you about the responsibility of the board, and then go down.

Mr. LAMBERT: All right.

Mr. OUIMET: The board sets all the policies, sometimes upon recommendation from management, and sometimes upon its own initiative. So all the policies include the basic objectives and the basic purposes of the corporation; the board will approve also of the major expenditures of the budgets, operating or capital, for any one year.

The board will deal with and approve the annual report of the corporation. Then, I told you last time, at the beginning of the session, about the various things which are referred to the board, or to the committees of the board. For example, in the field of expenditure control, no purchase of real property is handled without the approval of the board, irrespective of the amount involved.

Generally speaking, anything but the most routine renewal of leases, is referred to the finance committee. Statistics on staffs and the growth of the staffs, are reported to the finance committee and to the board. Any major project, of course, will go to the board. Any application for new stations will go to the board. Anything which is changed from the approved budget—the approved budget will have a number of individual projects, and if we change the nature or the cost of a project, this has to go back to the board for authority.

I am sure I have forgotten certain things in the field of finance. There is the disposal of real assets; this too, goes to the board.

Now, in respect of personnel, any negotiations with unions in the field of industrial relations, or talent relations, go to the board for a general directive as to the limit within which we will negotiate.

Any appointment above a certain salary has to be confirmed by the board.

Mr. LAMBERT: What is the limit of the amount?

Mr. OUIMET: \$10,000.

Mr. LAMBERT: Those are appointments to the programming staff?

Mr. OUIMET: That is right.

Mr. LAMBERT: And that includes promotion into that field?



Mr. OUIMET: No, no; appointments only.

Mr. LAMBERT: In the first instance?

Mr. OUIMET: That is right.

The CHAIRMAN: Are there any further questions on that subject?

Mr. PUGH: This goes back to my question on March 14 regarding dismissals or severance, or otherwise. If I understood you at the time, you said that you yourself had to look at any dismissal from the corporation.

Mr. OUIMET: Yes.

Mr. PUGH: So, it is a higher level policy? Is that because perhaps in dealing with union members, you feel you must have a good cause before dismissal, or is it just a matter of policy straight through?

Mr. OUIMET: It is a requirement of the by-laws of the corporation that no dismissal be authorized without the approval of the president.

Mr. PUGH: Of the president?

Mr. OUIMET: Or of the vice-president.

Mr. PUGH: Yes. Does that take place after discussion with the board?

Mr. OUIMET: No, only if it is a special case which may involve a problem of policy.

The CHAIRMAN: Are you going to ask a further question on policy?

Mr. LAMBERT: No. Could we continue with the reply? What are the decisions at the high management level? What are the matters that are of consideration. Mr. Ouimet dealt with the matter of the board. Now let us get into the other phase.

Mr. OUIMET: Of course, anything that goes to the board has to be approved first by the senior management of the corporation.

Mr. LAMBERT: Could you not capsulize your answer?

The CHAIRMAN: Could you possibly encapsulate your answer, Mr. Ouimet?

Mr. OUIMET: I have certain difficulty in dealing with this in a brief manner, because it is a very complex and broad subject. But generally speaking, management recommends policies and the directives to the board of directors. It receives and interprets and applies policies and directives of the board of directors, and in conducting the affairs of the corporation it controls and coordinates the activities of the corporation within the policies and directives of the board. It establishes operating and administrative policies. It receives and approves for submission to the board operating and capital development plans and related budgets. It ensures prompt application of allotted funds. It fosters the use of facilities and personnel, to see that the Corporation provides the best possible service; and as directed by the board it signs for the corporation all leases, contracts and other documents.

These are the executive duties. It prepares and submits such reports in connection with the activities of the corporation, as the board may require. It authorizes and enforces plans of organization, but the board approves the general organization plans. It authorizes additions and modifications to the corporation's establishment. It determines all policies related to the establishment, including remuneration and other conditions of employment, suspension for cause, or dismissals of officers and employees of the corporation, pursuant to the by-laws of the corporation. It interviews, passes upon the qualifications of and hires personnel and it appoints employees to senior management positions. It also approves leave of absence for the senior management personnel.

In the field of finance it submits the consolidated annual budget, to meet the operating plans and the capital development program, to the board of directors for approval. It recommends for the authorization of the board of



directors the submission to the government requesting operating and capital grants. It approves payment from allotted funds of operating expenses in excess of \$25,000 and capital expenditures in excess of \$10,000. In conformity with the provisions of the act it seeks approval of the governor in council for commitments and expenditures as required. Management also has duties in the field of public relations. But, coming back to the question of personnel, I should mention that the board of directors reviews on a systematic basis the establishment of the corporation and its salaries. This is something I have not mentioned to-day.

The CHAIRMAN: Have you any further questions on that?

Mr. LAMBERT: Mr. Ouimet has said that appointments over \$10,000 are subject to board confirmation, but do promotions come into that field? In other words, a man may have started at a lower level and then he is appointed to a senior executive position without the confirmation of the board?

Mr. OUMET: This is correct, but the board notes it.

Mr. LAMBERT: Yes, but the question is that the board has no authority?

Mr. OUMET: Oh yes, it has the authority to give any directive it wishes to management. Of course, the board is the chief, the boss, of management. In the case you have mentioned, there would be an increase in salary. In this case, at the beginning of each year, the amounts to be allotted for increases in salaries for different groups are discussed with the board and approved by the board.

Mr. FISHER: I want to ask Mr. Ouimet how closely does the C.B.C. watch the organizational structure of private broadcasting to see if it can find any model there?

Mr. OUMET: I think we watch all organizational structures which bear any similarity to the kind of activities in which we engage, and we try to pick out from them whatever might be suitable to us. However, we are not interested in comparing our organizational structure with that of a private station, which is a small operation in itself. We are only interested in comparing it with other national networks, such as the C.B.S., the N.B.C. and networks like that.

Mr. FISHER: I am not thinking so much of the time concerned with programming but rather with the lines of authority. I wonder, have you got any examples from private telecasting in Canada which would illustrate how they handle it.

Mr. OUMET: We do, at times, and I think they also benefit from some of our experience. I think we are all professionals in the same field.

Mr. FISHER: I certainly had the impression that all the networks in the United States went through a number of shake-ups in organization during the last five or six years. I am not thinking in terms of personnel but in terms of structure. From your observation of these networks can you express a view on that?

Mr. OUMET: I believe some networks have had more than others in this respect.

Mr. FISHER: The point I am making is that, with the growth of television, a great many problems have cropped up in this whole line of work in the American networks.

Mr. OUMET: They have had their growth problems as we have had, and they have had to adapt their organizational structures to their new size, as we have had to do also.

Mr. FISHER: Last year, in another very large corporation ancillary to the government, the C.N.R., there was introduced a completely new conception

of organization. As I understand it, it was decentralization within regions. I am not asking for your opinion on the C.N.R. but, have you noted this change, and do you see any parallel in it with what you have in your organizational structure?

Mr. OUMET: Our organization was modified around 1952 in order to permit the scale of operations that we have now. At that time it was a definite, decentralized operation, and that is why we now have these regions and divisions about which we are talking.

Mr. CHOWN: In other words, you showed the way to the C.N.R.

Mr. OUMET: I would not put it that way. I think this is standard organizational technique and, as a company grows up, it changes its organization.

Mr. CHOWN: With considerably less pay.

Mr. FISHER: When you began your evidence, Mr. Ouimet, you indicated that there is a tremendous aggregate of experience among the senior officers and directors of the corporation, and this indicates a managerial set-up which pools up within itself. What consideration has ever been given to bringing in the odd outside manager, at high level, in order to stimulate a fresh approach. I am not advocating this but I am just wondering has any consideration ever been given to it.

Mr. OUMET: Yes, consideration has been given to it quite frequently and it has been done up to a certain level in the organization, but the trouble is that when you get higher up in the director's level you cannot find anyone in Canada who has any experience in our kind of work. It takes years and years to train people, and that is why you have to get them in at the lower echelons first. You cannot get an experienced program director in Canada because there is no other network operating here.

Mr. FISHER: I understand that the Auditor General of Canada today is the man who was your controller; so that at that level, in one of the specialized aspects of the administrative part of your operation, this is very possible. In effect, however, you are telling us that at the core of your broadcasting operations it is impossible to find outside Canadians with the type of experience required?

Mr. OUMET: That is correct.

Mr. FISHER: Is this not a reflection both upon the scope and talent which exists in private broadcasting, or is it an indication that the salaries in private broadcasting are so much higher that you cannot attract people from it?

Mr. OUMET: I think I should establish quite clearly now that a private station is a private station; it is not a network operation. There is such a difference between the local operation and the operation of a network that the particular talent you would get from a local station would require considerable time and training to become the kind of qualified officer needed for a network. You also raised the question of salaries, and there is a difficulty in this connection also.

Mr. FISHER: In other words, at the managerial level their salaries compare favourably with yours?

Mr. OUMET: I would say much more than favourably.

Mr. FISHER: I just want to tie this up. That does not apply to employees lower down at the technical level?

Mr. OUMET: No. I think our remuneration at the lower levels of the corporation follows pretty well the levels of industry but, as you get higher up in the corporation, there is a definite saturation point and actually the managers of many private stations would be out of range as far as we are concerned if we wanted their services.



Mr. MACDONNELL: May I ask a question following on what Mr. Fisher has raised? How far down in the organization would you have to go to find any new blood? I may mention that I am a great believer in the convertibility of ability.

Mr. OUMET: Well, for example, I may mention that our comptroller came in three and a half years ago and, at that time, he replaced our previous comptroller who had come in at about the same time in the corporation. This was right at the second level of management, and that is fairly high up. Then, very recently, we appointed the director of sales policy from outside our ranks, and this is the next level down. The director of information services also came from outside; so that, generally, I would say that we have new blood coming in fairly high up in the organization.

The CHAIRMAN: Mr. McCleave, are you following on Mr. Fisher's line of questioning?

Mr. MCCLEAVE: I have a supplementary to Mr. Lambert's question.

The CHAIRMAN: Then Mr. Fisher is first.

Mr. FISHER: Since you cannot find personnel within Canada I suppose you do not want to go outside to the United States, Britain or France?

Mr. OUMET: There is really no policy of the corporation which would prevent that although, as I think I mentioned the first day I appeared before this committee, in the development of television in 1951-52 we made sure it would be in the hands of Canadians so as to have a Canadian approach. But today there would be no question of policy against that, if an officer from another country would be more useful to the corporation than someone we already have. However, I must say that when you get people of long experience coming from other networks they bring with them the particular philosophies of the networks from which they come, and we certainly do not want to bring into the C.B.C. the sort of exclusively commercial approach of the American executives. Furthermore, let us face the fact that we could not afford even the ordinary junior employees who are working for the American networks, because their rates of salaries are so much higher than ours that it would be impossible.

Mr. FISHER: I was hoping you would go on to say they were no damned good anyway; but your answer goes to show that your top line people are not stultifying. What do you do about getting them sent as observers or on an exchange basis to other broadcasting systems?

Mr. OUMET: We have had exchanges on a very small scale, but it is very difficult to carry out in practice because of costs and also because of family questions. If you want to have a useful exchange a man has to be sent for a period of a year or more, and that is a difficult thing to arrange.

Mr. LAMBERT: Leaving aside the broadcasting knowledge which your senior executives must have, has it been the policy of the corporation in so far as administrative procedures are concerned—and management and administrative knowledge are certainly required—to send any of your senior executives, or even your second or third line people, to courses on management and administrative training?

Mr. OUMET: Yes, we have done this on a regular basis. I have taken one of those courses myself.

The CHAIRMAN: Are you through, Mr. Lambert?

Mr. LAMBERT: Yes.

Mr. MACDONNELL: May I ask the nature of those courses? Where do you go to get them?



Mr. OUIMET: You can get some in Canada and some in the United States. There is the Banff school of administration, the university of Western Ontario and, of course, the A.M.A. seminars which are given in different places in the United States. N.O.M.A. is another.

Mr. McCLEAVE: And the university of King's college has such courses, too. My question is supplementary to Mr. Lambert's line of questioning some moments ago. I understood Mr. Ouimet to say that policy matters had first to be approved by management before they went to the board of directors. He may have qualified that later on, but I should like to ask him did he say that all policy matters are approved by management before they go to the board of directors?

Mr. OUIMET: They are on the way up, but we can also get policy direction coming down from the board to management. Actually when you say "approve", what management gives is recommendation rather than approval. We recommend policy but, of course, a junior person in the organization would not have access to the board and could not recommend directly policy to the board. That is why a recommendation has to pass through the hands of senior management.

Mr. McCLEAVE: May I ask, do all policy matters originate in this way, or do you find policies being developed by the board and working their way down to management and then down to the lower echelons?

Mr. OUIMET: As I have said already, it goes both ways. Over the years many of the policies of the corporation have been developed by the various members who have sat on the board for the last 25 years and, of course, some of the policies have developed on advice and suggestions of the parliamentary committees which have sat over the years.

Mrs. CASSELMAN: Mr. Ouimet, what exactly did you mean by not wanting to bring in outsiders with a commercial approach?

Mr. OUIMET: I was referring to the sort of experienced executive we might get from the United States. In the United States, as you know, their system is not based on the same objectives as we have here. It is purely a commercial system. It is not a public service like the C.B.C. and the approach of these executives would be entirely different to the approach that we have here. The decisions which we make in the corporation are always made on the question of public service and public interest, keeping in mind the importance of getting in revenues; but our first objective is public service. In the case of a commercial operator in the United States, his main function is to run a business, which is a different objective to that of the corporation.

Mrs. CASSELMAN: Would not a few of those fellows be a good idea?

Mr. OUIMET: To a certain degree, it is a good idea.

Mrs. CASSELMAN: You feel that you already have that degree?

Mr. OUIMET: I think we have that degree, and we are coming close to the point of going a little too far.

The CHAIRMAN: Have you a question, Mr. Lambert?

Mr. LAMBERT: In connection with that policy, do you not run the risk of two things: First of all, disregarding the adaptability of abilities, a man who has been with a commercial organization need not be forever wedded to the practices of that corporation and, for administrative reasons, that man might be of a considerable advantage; secondly, you run the risk of disabilities resulting from inbreeding.

Mr. OUIMET: I agree with some of the things you have said. However, we must remember how this discussion started. This was in respect of the

hiring of senior executives by the corporation in order not to have so many promotions inside. In fact, we do take at the more junior level a great number of experienced broadcasters from commercial stations in Canada.

Mr. LAMBERT: But the policy is not operative there. I am concerned with general corporation policy at the top management level. I am not suggesting that the corporation should do this, but I think you are taking a calculated risk in that policy.

Mr. OUIMET: Actually, the question is somewhat academic. I am sure that that kind of man about whom you are speaking is already on such a salary level that we could not match it here. Apart from this, what I have said prior to this, I think, would still stand. I think there are real dangers in importations of this type.

Mr. LAMBERT: I am assuming there, in my questioning; I am not limiting myself to attracting people from, say, the American broadcasting industry. I am concerned about Canadian management personnel.

Mr. McGRATH: But they do not necessarily know anything about broadcasting.

Mr. LAMBERT: That is true.

Mr. McGRATH: It is reasonable to assume that they should come within the corporation.

Mr. OUIMET: If this is the case, there is no objection. I have been talking all along of people who are specializing in broadcasting.

Mr. LAMBERT: Well, I left aside the broadcasting capabilities.

Mr. FISHER: Mr. Chairman, could I emphasize that when I started this line of questioning I just wanted to find out if the C.B.C. management is tossing the idea around, in that they felt they should do this. What has interested me is the way that so many senior people in the broadcasting side of American broadcasting look upon the C.B.C. with so much envy and favour.

Mr. OUIMET: I believe this is true. However, I think it would be with respect to what the C.B.C. does rather than what the C.B.C. offers in terms of salary.

The CHAIRMAN: Have you a supplementary question, Mr. McCleave?

Mr. McCLEAVE: I have a supplementary question in connection with sales.

I notice that the sales people in the Quebec organization are under the wing of the program director. Is that not so?

Mr. OUIMET: They are under the wing of programming, not only in Quebec but throughout the corporation.

Mr. McCLEAVE: Where does your sales policy originate? Could it originate from the director of sales, up to the programming man and up to higher levels—management, or does it start at high-level management and is approved by the board?

Mr. OUIMET: Both ways.

Mr. McCLEAVE: So, the director of sales can work through the programming manager and, thereby, get some of his ideas through to the higher management level.

Mr. OUIMET: Yes. Furthermore, there is a rather direct contact between management and the sales head.

Mr. McCLEAVE: Do you know the position of the sales force in the American networks, for example, and the British publicly owned and privately owned networks? Do they work through the same chain under programming?

Mr. OUIMET: No. In the case of the publicly owned British network, which is the B.B.C., there is no commercial operation, so there is no sales force. I do not know how the commercial network in England is organized in this



respect, but I suspect that the sales are divorced from programming, as they are in the United States. The reason for the difference between our type of organization and what you find in the commercial networks in the United States is simply that, in the case of the United States, everything that is done is done from the point of view of sales.

Mr. McGRATH: For profit.

Mr. OUMET: And in our case we do many, many programs which we know will not sell. However, we have to do them just the same because it is our job to do so.

Mr. McCLEAVE: Could you not accomplish this same end if your sales division was taken from programming, proper? You could squash a fellow who sold too many commercials. Could you not separate him from his present position in this chain of command?

Mr. OUMET: We have found that the arrangement we have works much more smoothly than the one which you have suggested. We have had this separate arrangement at different times in our history, but it always ended up the same way—that we had to give the final word to the program authority, because the sales people could not be allowed to commit the corporation to a type of programming which might sell very well but which the corporation might not wish to do because it would not meet our objectives.

The CHAIRMAN: If I might interrupt here, I think we could take this up under commercial operations, which is on the agenda.

Mr. McCLEAVE: I was asking from the standpoint of organization—and we are on that. However, I will hold my fire.

The CHAIRMAN: Have you a question, Mr. McGrath?

Mr. McGRATH: Mr. Chairman, I believe that the C.B.C. has a very competent executive management. However, I do believe that the trouble—and this is a preamble to my question—lies in the organization, if I may say so, with respect, Mr. Ouimet.

I have two questions along that line. First of all, did you consult, or did you give consideration to consulting a management analyst before you changed your present organization structure?

Mr. OUMET: Yes. I gave consideration to it and, if I may say so, considerable consideration. However, the nature of the change which was indicated did not seem to require consultation. I think it would have been wasted money. It would have cost a great deal of money, and I do not think it would have changed anything. There are not many ways of organizing an operation such as ours.

Mr. McGRATH: Most large corporations, which reach the vastness of the C.B.C., somewhere along the line, in order to protect themselves from their directors and their shareholders, do consult management analysts—and I think that is a proper designation—to determine whether or not they are getting the maximum efficiency from their staff and the maximum economy from their budget. I think that is a fair statement to make. When was the last time the C.B.C. did that?

Mr. OUMET: That is another question. We have had management consultants with respect to our accounting systems and procedures. We had them just before the Fowler commission and just after that commission. Also, we have had people recently to advise us on our senior salary scales. But, I was referring to your first question, which was organization itself.

Mr. McGRATH: If I may interrupt, I did not mean to divorce the two.

Mr. OUMET: In that case, then, we have had consultants.

Mr. McGRATH: Who have examined your whole organization and, as well, made recommendations?



Mr. OUIMET: Not the whole organization, but certain aspects of it on which we wanted advice, as, for example, the whole question of accounting, the whole question of inventories, the budget control; in other words, the financial side of the corporation has been looked at by the P. S. Ross people. They did this in 1955 and, I think, in 1957.

Mr. McGRATH: The P. S. Ross people?

Mr. OUIMET: Yes. Just before that we had another firm who did it. However, I do not remember how long ago that was.

Mr. McGRATH: Your last one was in 1957?

Mr. OUIMET: Yes, the last of that kind, although very recently we had management consultants who looked at the salary scale of the more senior positions of the corporation.

Mr. McGRATH: In my opinion, it does seem to me that this certainly would be in the interest of management of the corporation, in regard to reporting to their shareholders through this committee. It would put you in a very much better position.

Mr. OUIMET: I would agree with what you say. It would put me in a better position; however, the decision which we have had to make is whether what we would get out of it would be worth the expenditure. The decision was made that, in the light of the particular problems that we had, there was no need to get management consultants, and that we could solve them. However, I do agree with you that if I gave you a report, saying that this has been approved by such-and-such an organization, it might make it easier for the management of the corporation to explain it. But, we have to take our position on the basis of what we consider is in the public interest, in relation to costs.

Mr. MACDONNELL: I presume that is a board decision.

Mr. OUIMET: It is a board decision. The organization of the corporation was submitted to the board and approved by them as a whole.

Mr. McGRATH: It certainly appears from your answers, Mr. Ouimet, that this would be a very desirable thing, in view of the vastness of the C.B.C., in view of the fact that you are still growing in this new phase of television, second channels, and a multiplicity of channels in the most competitive areas. It would seem to me that this would be a very desirable thing. I have one final question. Perhaps you may not feel it is within your competence to answer this, and if so, I will understand. Do you feel that you would get more efficiency from your well qualified executive management if they were located in your main center of operation, which, I believe, is in Toronto?

Mr. OUIMET: Mr. McGrath, before dealing with this second question may I deal with the statement you made just before that?

Mr. McGRATH: Yes.

Mr. OUIMET: It is with respect to the organization. You felt we would get greater efficiency if we had somebody to look at it. May I say that we have within the corporation a whole group that does that continually, to make sure we are getting maximum efficiency. Mr. Carter can tell you more about this later on, if you wish.

Your other question was about the location, and if it was possible to locate the executive of the corporation in one operating production center like Toronto or Montreal. If that was the only major operating center we had, then we would get a much simpler operation. But, the fact that we have two centers, one major English language center and one major French language center, makes it necessary to have co-ordination from a point such as Ottawa.

Mr. McGRATH: But, in effect—and I say this with all due respect—Montreal is the center of your French language operation, which is an autonomous organization within the C.B.C.

Mr. OUMET: No; it is no more autonomous than the English language operation.

Mr. McGRATH: Perhaps I was wrong in putting it that way, but you had to have special programming and special management.

Mr. OUMET: But you must have special programming people in English, as well.

Mr. McGRATH: That is what I am leading to. On such a large scale you have so much more of Canada to serve and cover.

Mr. OUMET: The disparity is not so much as you may think; it is in the ratio, of one to two, between English and French and the English is not all in Toronto. The operation at Toronto is no bigger than the operation at Montreal. What makes the English language operation bigger is that all the rest of Canada is involved. So actually, the degree of delegation of authority is the same, and whatever the language, there is the same policy. Ottawa has to deal with both operations, French and English.

Mr. McGRATH: I have nothing further.

Mr. CHOWN: I have a supplementary question. I have been waiting since about 10.00 o'clock.

The CHAIRMAN: Poor you.

Mr. CHOWN: Well, he would not have asked me, if he did not have my name on the list. This business of retaining management consultants provides a supplementary question. Might we have from you the dates, the firms, and the terms of reference, as well as the cost, from 1955, 1956 and 1957, and also the more recent one, which, I believe, you said was still under way, Mr. Ouimet?

Mr. OUMET: No. The more recent one is finished, although there is continuing consultation going on; but it is a minor project.

Mr. CHOWN: Because of the significance of the more recent one, would it be possible for you to table your recommendations, because surely there is a sensitive problem here which has to do with the squeeze from the bottom, and the wide area on the pyramid at the top as regards the range of salaries paid to management, and the inflexibility of the position in which you find yourself at the present time.

The CHAIRMAN: I think we had better take that under advisement before the subcommittee.

Mr. CHOWN: Along with the request made for the minutes of a typical meeting of the board of directors to be tabled?

The CHAIRMAN: Yes, I think so.

Mr. CHOWN: I wanted to ask you as well, Mr. Ouimet, if you have an incentive award, or an award plan for employees as a matter of management policy?

Mr. OUMET: We have merit increases, but we have not got anything which parallels what you find in industry. However, we are still studying the possibility of using incentives in the sales end of our operation. But I think it would be very difficult to develop this sort of incentive system for the other employees.

Mr. BALDWIN: I should have asked my question following Mr. Macdonnell's question concerning suitability and availability. I wonder if Mr. Ouimet has given any thought about members of parliament in the broadcasting committee providing a suitable field?

The CHAIRMAN: You do not expect an answer to that, do you ?



Mr. McINTOSH: I wonder if, in addition to the information as requested by Mr. Chown, we could be given the number of years, roughly—it does not have to be given by months—of the service to the C.B.C. of all these directors listed on this list?

Mr. CHOWN: It is already on the record.

The CHAIRMAN: I think it is.

Mr. OUIMET: Are you referring to the new directors on the new list distributed this morning?

Mr. McINTOSH: Yes.

Mr. OUIMET: We could provide you with this information easily.

Mr. CHOWN: I wonder if Mr. Ouimet could draw up for my benefit the line between management and the classifications which you consider are included in management, and the classifications which are not included in management?

Mr. OUIMET: Yes, it is easy to do that, because it is really determined by the industrial relations board.

Mr. CHOWN: I think there is something peculiar in your particular industry which lists people who normally would not be considered as labour—which excludes from management people who would ordinarily form part of a management team. Could that be done for the next meeting?

Mr. MARCEL CARTER (*Vice-president, Administration*): The industrial relations and disputes act settles that persons are excluded from union membership when they have access to information which is confidential to industrial relations.

The CHAIRMAN: Are you through with organization?

Mr. FISHER: I hate to drag this out from under the bed, and you do not have to answer it. I am assuming from the mix-up that we have tolerated, that there have been in Canada annually, surely, a number of contests and forces at work and one of the contests or pressures is that of public opinion. As the role and position of the C.B.C. is to interpret it, surely these contests over the C.B.C. should have a reply, it seems to me, through certain platforms, or through private radio, the newspapers, or private groups.

Which element in the line of organization is focused on answering or putting forward the institutional position—that is, the defence, and coming to the attack in connection with these contests in open society concerning the C.B.C. position? Is it in the board of directors you are conscious of this? Where do you plan your rebuttals?

Mr. OUIMET: Actually, we have probably opened the door to many, or to a number of rebuttals, and we have been taken to task for our failure in not answering enough, and not presenting our case forcibly enough before the public. But I think we have made some improvement in this respect since that time.

This is the responsibility of the whole management of the corporation, including the board, the president, and the vice-president; also the staff work which is done in analysing certain criticisms and preparing certain answers is done in the department of corporate affairs of the corporation.

Mr. FISHER: In this particular problem, what role does the board of directors play as a whole in considering or meeting it?

Mr. OUIMET: I think that they play a dual role. They play a role in discussing the problem with management, and they give a directive to management as to how to handle it. Furthermore, they themselves, individually, have occasion to speak in public and to deal with these problems.



Mr. FISHER: Then on this last point is there a conscious policy at the top, and with your corporate affairs, for close liaison with these groups that are interested in studying with you the principle of C.B.C. rates? I am thinking of the Canadian federation of agriculture, and of associations like that.

Mr. OUMET: Yes. Any of these Canadian institutions which have shown an interest in broadcasting over the years have contacts of various kinds and at various levels in the corporation; because we work with them. If you are referring to agriculture, of course we do a great deal of work in that field ourselves, so there are contacts at the working level; and there may be other liaison at higher levels. But I must say the latter has been spasmodic because of the pressure of other work. I wish we could have more time in which to talk to various groups.

Mr. FISHER: We have had implied criticism at various stages in this committee, and I would like you to know that my strongest criticism of your whole organization is the fact that you are almost incompetent at rebuttal and in presenting the case that you represent in terms of these contests that are always going on.

Mr. McINTOSH: My question is along this line: I know that your terms cover practically every phase of the operation. But has consideration ever been given to a directorate of censorship?

Mr. OUMET: Yes; the question has been brought up practically every year. But we have decided, after practically a continuous review of the problem, that this would be impractical in the first place, because no one could possibly review 100,000 programs. Furthermore, I do not think we should approach the problem of broadcasting on a negative basis as a matter of censorship. We should try to produce good programs in accordance with our policy objectives, and if any of them should happen to be lacking in any way, whether with respect to good taste or in any other respect, then of course we should correct it. But it has not been in our minds that the C.B.C. should have a board of censors as such.

Mr. McINTOSH: Well, Mr. Ouimet, do you think that you, as C.B.C. management, are outside the scope of censorship, such as is enforced, let us say, upon books, theatres and so on, in Canada?

Mr. OUMET: Not at all. This is a question of semantics, perhaps; but obviously we take the position, in choosing programs and accepting scripts which involve questions of morality or matters of good taste, and so on, that in rejecting something, or not accepting something, we are imposing censorship upon ourselves. This is done at different points within the organization where it can best be carried out, but not by a censor or a board of censors.

Mr. McINTOSH: Under which directorate would this fall?

Mr. OUMET: This is being done in each of the departments in programming, such as children for children, education for education, school for school, and religious broadcasting. It is done in each department; and over and above that, of course, we have the divisional director and the whole management of the C.B.C. who watch all of this in operation, and who can continuously apply directives to it.

Mr. McINTOSH: The responsibility falls on the director of programming, is that it?

Mr. OUMET: Yes, on the director of programming and on the supervisor of programming; it is in their area.

Mr. McGRATH: Should we not adjourn now? We have gone past our usual hour when we should adjourn. Shall we go on with the next item at the next meeting?

The CHAIRMAN: I think it has been dragged out almost completely.

Mr. HORNER (*Acadia*): May we ask a few questions on which they could prepare information, before this meeting is over?

The CHAIRMAN: All right, if you hurry.

Mr. HORNER (*Acadia*): On page 258 of the proceedings of this committee there is a list of the number of personnel and the amount of wages paid. Could we have a breakdown in the chart showing the details of the stations and the offices, whether radio or television, the number of persons employed and in what localities? Actually it would be an expansion of the chart on page 680, but the only thing is I am tying in costs. In the 1959 report, starting at page 680, would you tie in the costs? I would like to have that expanded to a greater degree, with the costs tied in.

The CHAIRMAN: Would that be possible?

Mr. BALDWIN: Perhaps Mr. Horner might get together with the president.

The CHAIRMAN: All right.

Mr. FISHER: What about this question of conflict with another committee? Has it been settled?

The CHAIRMAN: Evidently not; not yet.

Mr. FISHER: I think it is regrettable that when you have seven members of one committee who are members of another committee, including members such as Mr. Macdonnell, vitally interested in both committees, such a conflict should be relieved.

The CHAIRMAN: We are going to try to resolve it, of course.

Mr. CHOWN: With respect to the information which Mr. Ouimet is going to table, could he give us an estimate of the annual savings made pursuant to the recommendations in 1957?

Mr. OUMET: This would be a difficult problem, because you cannot estimate what you would save until you know pretty well what it will cost you.

Mr. CHOWN: Could you give us an estimate of what they think you can save?

Mr. OUMET: That is all.

The committee adjourned.

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HOUSE OF COMMONS

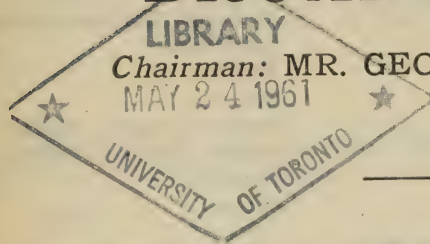
Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

**BROADCASTING**



Chairman: MR. GEORGE C. FAIRFIELD

MAY 24 1961

UNIVERSITY OF TORONTO

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

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TUESDAY, APRIL 25, 1961

THURSDAY, APRIL 27, 1961

TUESDAY, MAY 2, 1961.

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WITNESS:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## CORRECTIONS

- PAGE 424—Third paragraph from top of page, fourth line thereof: delete the word “fact” and substitute therefor “fast”.
- PAGE 428—Second line from top of page, insert the word “duplication” between “this” and “would”.
- PAGE 442—First line at top of page: delete the word “our” and substitute therefor “all”.
- PAGE 454—Fourth paragraph from the bottom of page: delete all words in line one and two and substitute therefor: “Actually in the report of the Fowler Commission we were taken to task for our failure...”
- PAGE 456—Last interjection at bottom of page should be in the name of  
“THE CHAIRMAN:”

## ORDERS OF REFERENCE

MONDAY, April 24, 1961.

*Ordered*,—That the name of Mr. Smith (*Calgary South*) be substituted for that of Mr. Bourbonnais on the Special Committee on Broadcasting.

TUESDAY, April 25, 1961.

*Ordered*,—That the Special Committee on Broadcasting be authorized to sit while the House is sitting, and to adjourn from place to place.

*Attest.*

LÉON-J. RAYMOND,  
*Clerk of the House.*

## REPORT TO THE HOUSE

The Special Committee on Broadcasting has the honour to present the following as its

### SECOND REPORT

Your Committee recommends that it be authorized

- (a) to sit while the House is sitting; and
- (b) to adjourn from place to place.

Respectfully submitted,

George C. Fairfield,  
*Chairman.*

*Note: The said report was concurred in by the House on the same day.*



## MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

TUESDAY, April 25, 1961.

(18)

The Special Committee on Broadcasting met (*in camera*) at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Chown, Creaghan, Danforth, Fairfield, Fisher, Horner (*Acadia*), Keays, Lambert, MacEwan, McCleave, Mitchell, Pickersgill, Pratt, Pugh, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Webb.—(22).

The Committee proceeded to a study of the evidence adduced, relating to the Broadcasting Act, 1958, with a view, if indicated, of recommending amendments to the said Act and/or submitting observations thereon, when reporting to the House.

And the said study still continuing, it was adjourned until the next sitting.

On motion of Mr. Smith (*Simcoe North*), seconded by Mr. McCleave, it was unanimously

*Resolved*,—That the Committee ask leave

(a) to sit while the House is sitting; and

(b) to adjourn from place to place.

At 10.55 o'clock a.m. the Committee adjourned to meet again (*in camera*) at 9.30 o'clock a.m. on Thursday, April 27, 1961.

THURSDAY, April 27, 1961.

(19)

The Special Committee on Broadcasting met (*in camera*) at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Messrs. Baldwin, Chown, Creaghan, Danforth, Fairfield, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, McIntosh, Mitchell, Pickersgill, Regnier, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Webb.—(18).

The Committee resumed from Tuesday, April 25, 1961, its adjourned study of the evidence adduced, relating to the Broadcasting Act, 1958, with a view, if indicated, of recommending amendments to the said Act, and/or of submitting observations thereon, when reporting to the House.

And the said study still continuing, it was adjourned to a later date.

It was agreed that at its next sitting the Committee would resume its inquiry into the affairs of the Canadian Broadcasting Corporation.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. on Tuesday, May 2nd, 1961.

TUESDAY, May 2, 1961.  
(20)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Creaghan, Danforth, Fairfield, Horner (*Acadia*), Keays, Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, McQuillan, Pickersgill, Pugh, Regnier, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Webb.—(20).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. Ronald Fraser, Vice-President, Corporate Affairs; Mr. R. E. Keddy, Director of Personnel and Organization; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

The Committee resumed from Thursday, April 20th, its inquiry into the operations of the Canadian Broadcasting Corporation.

Mr. Alphonse Ouimet was recalled.

The following returns filed by CBC were entered into the record by the Chairman, namely:

1. Chart showing the organization of the Quebec and French Networks Division, as requested on April 18th by Messrs. McCleave and Horner (*Acadia*). (*See page 431 of the evidence*).
2. Summary showing the number of years of CBC service of the Head Office officers listed on a return appearing on *page 437 of the evidence*. Requested by Mr. McIntosh, on April 20th, 1961. (*See page 454 of the evidence*).
3. Answer to a question by Mr. Pratt on March 14th (*see page 234 of the evidence*), showing the number of television producers at Montreal and Toronto.
4. Return showing the number of professional engineers and architects employed by the Corporation for the last three years, as requested by Mr. Keays on March 14th (*see page 240 of the evidence*). (*NOTE: This return was distributed to all members on April 24th, 1961, and now appears as Appendix "C" hereto.*)

On motion of Mr. Chown, seconded by Mr. McGrath the Committee ordered that returns 1 and 2 above be printed into the record as Appendices "A" and "B" respectively.

Mr. Ouimet and Captain Briggs were allowed to make certain corrections in the printed record of the evidence.

Mr. Pickersgill expressed a grievance in regard to certain information on the morning radio broadcast purporting to tell the public what is the program of the day in Parliament.

Mr. Ouimet was again questioned and his examination still continuing, it was adjourned to the next sitting.

At 10.30 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Thursday, May 4th, 1961.

Antoine Chassé,  
Clerk of the Committee.

## EVIDENCE

TUESDAY, May 2, 1961  
9:30 a.m.

The CHAIRMAN: Mrs. Casselman and gentlemen, you will please come to order.

I have some replies to questions.

At the April 18th meeting of the committee a request was made that the chart showing the organization of the Quebec and French networks division, distributed earlier to the committee, should be revised to provide additional information. Specifically, Mr. McCleave requested that the title of the person in charge of each function represented on the chart should be shown. In addition, Mr. Horner asked that the chart show the number of persons employed in each function.

These will be distributed. I wonder if it could be added as an appendix to today's meeting?

Agreed.

(See appendix "A".)

On April 20th Mr. McIntosh asked in the broadcasting committee for a return showing the number of years of C.B.C. service of the head office officers listed on a return made that day in response to an earlier request by Mr. Chown.

This is quite a long list. It will be distributed among you, and I wonder if this too could be added as an appendix?

Agreed.

(See Appendix "B".)

On March 14th Mr. Pratt asked in the committee for a return showing the number of television producers at Montreal and Toronto. Our records show that there are presently 99 T.V. producers regularly employed at Montreal and 51 at Toronto. In addition, three free-lance producers are employed from time to time at Toronto on a specific services basis.

This disparity in numbers is accounted for by the larger production load at Montreal which, in turn, is chiefly attributable to the shortage of French-language programs from outside sources.

It is signed by Barry MacDonald.

Mr. SMITH (*Calgary South*): Might I ask a question with respect to one of the returns; it is as to whether or not the categories of personnel in each function, which Mr. Horner asked for—did these actually include a breakdown in terms of the type of employment in which these people are categorized?

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): It is purely the number of employees in each department, but the departments themselves, of course, are functionalized.

Mr. SMITH (*Calgary South*): In other words, it does not show how many particular technicians of a certain category are employed by the corporation?



Mr. HORNER (*Acadia*): At the end of the list might I ask that it include a continuation of the total which starts on page 680 and so on, in the 1959 report?

Mr. OUMET: This is another study for which we have not as yet provided returns.

The CHAIRMAN: Now, Mr. Ouimet would like to make some correction in the record of the last meeting.

Mr. OUMET: Mr. Chairman, in the minutes of proceedings and evidence number 16, at page 441 there is a line which reads:

It is a matter of policy to provide a varied service so that our taste is served in turn.

This should read:

So that all tastes are served in turn.

Then on page 454 I am reported to have said, in the fourth paragraph from the bottom of the page:

Mr. OUMET: Actually, we have probably opened the door to many, or to a number of rebuttals, and we have been taken to task—

What I said was:

Actually in the report of the Fowler commission we were taken to task.

And at the very end I am credited with an answer which I am sure I did not make. It was in answer to Mr. Chown, whose question was:

Mr. CHOWN: Could you give us an estimate of what they think you can save?

I am reported to have said:

Mr. OUMET: That is all.

I am sure this should be credited to the chairman.

The CHAIRMAN: Thank you. Did you wish to make some corrections as well, Mr. Briggs?

Capt. W. E. S. BRIGGS (*Vice President, Canadian Broadcasting Corporation*): Yes. This is in number 15, for April 18, at page 424, where the third paragraph reads:

—which is like a sausage mill grinding out things so fact—  
It should read "so fast".

And at page 428, in the first paragraph, it reads:

If, for example, it is in drama, this would be avoided through the script bureau.

It should read:

If for example, it is in drama this duplication would be avoided through the script bureau.

Mr. PICKERSGILL: Might I express a grievance and ask Mr. Ouimet to pass it on to C.B.O. Every morning, after the eight o'clock news, they purport to tell us what is going to go on in parliament. I do not think there is one day in four when they are right.

For instance, they said today that a certain bill was to be taken up, when in fact that very bill was passed yesterday. It does seem to me that if they are going to make these reports they might stay until the end of the day to find out what really is going to be the business for the next day, instead of giving these misleading reports to the public.

The CHAIRMAN: Adopted! Last time we were questioning the witness on organization. I understand there are some members who have questions arising out of the evidence given last time. Are there any further questions on organization?

Mr. CHOWN: Mr. Chairman, I had two questions which have not been answered, both calling for the tabling of information. One asked for the production of the agenda or the minutes, or both, of a typical meeting of the C.B.C. board of directors and the other requested the tabling of the reports made by the consultants retained by the C.B.C. to look into salaries paid to those in the upper executive positions. Are there any answers to those?

The CHAIRMAN: I am not sure whether the subcommittee took up the matter of the minutes. I wonder could we have a subcommittee meeting later on today at which we can discuss that matter?

Mr. CHOWN: These matters, or this matter? What about the other?

The CHAIRMAN: On the salaries?

Mr. CHOWN: On the salaries.

The CHAIRMAN: Yes, we shall take that up at the subcommittee meeting as well. Are there any further questions on organization?

Mr. SMITH (*Calgary South*): Mr. Ouimet, I have been endeavouring to catch up on the evidence. I believe you have indicated a certain, relevant comparison between the C.B.C. and the B.B.C. in its organizational qualities. They are similar in some respects, are they not?

Mr. OUIMET: They are similar organizations in the sense they are both national broadcasting organizations. The B.B.C., however, is much bigger than the C.B.C.

Mr. SMITH (*Calgary South*): That is to be appreciated. I am curious to inquire about officials holding positions equivalent to your own position and that of Captain Briggs, the president and vice president of the B.B.C. Are you familiar with whether they actually serve on the board of directors, of the B.B.C.?

Mr. OUIMET: They have a different organization in England. In the first place, the titles of president and vice president are not very much used in England where the title of managing director is more common. The chief executive officer of the B.B.C., who is called the director general, does not serve on the board of directors. One of the reasons for that is that, because of the geography of Great Britain, the board of directors of the B.B.C. is able to meet much more often than our board here. Actually, it meets every two weeks.

Mr. SMITH (*Calgary South*): I see.

Mr. OUIMET: Therefore, the board of directors of the B.B.C. is able to give closer attention to the operations of the B.B.C. than our board is able to do here in regard to the operations of the C.B.C., simply because of the problem of geography. I should add, however, that when the B.B.C. board of directors meets it meets only for, I believe, one day.

Mr. SMITH (*Calgary South*): I see, but the answer is that the executive head, as such, does not serve on the board of directors of the B.B.C., because of geography. That is your view, is it not?

Mr. OUIMET: Yes.

Mr. PICKERSGILL: Is not the set-up similar to what it was in the C.B.C. before the recent legislation? The general manager, if I recall correctly, was the chief executive officer and was not a member of the board.

Mr. OUIMET: Yes, with the difference that the chairman of the board was a full-time officer and, with time, he had slowly become the chief executive



officer so that actually, even with the chairman of the board full-time in the C.B.C., say, three years ago, you had a full-time officer on the board, which is the distinction with the B.B.G. set-up.

The CHAIRMAN: You mean the B.B.C.?

Mr. OUMET: Yes.

Mrs. CASSELMAN: Further to our study of organization and programming operations, could you give us a breakdown of costs between actual programming and distribution?

Mr. OUMET: Yes, we can give you that. I cannot give it just now but we had intended to do this anyway when we come to deal with finance.

Mrs. CASSELMAN: Possibly, if we had it ahead of that it might be helpful.

Mr. OUMET: We can arrange for that now. Let me see, do I understand your question correctly? You want the breakdown of costs between the production of programs and the distribution of programs, generally?

Mrs. CASSELMAN: Generally.

Mr. MACDONNELL: It is unfortunate I was absent from the last meeting and, if my question has been asked already, tell me and I shall drop it. What are the duties, the defined areas of activities and the responsibilities now entrusted to the vice president in charge of programming for radio, and/or television, and for his immediate staff and assistants?

Mr. OUMET: Mr. Macdonnell, the duties of all five vice presidents have certain aspects in common but each one of them, of course, has certain specific duties. The five vice presidents and the comptroller are charged with directing the activities of the corporate staff departments. They report to the vice president on matters concerning current operations and to the president on policy matters. These executives are responsible for fostering the development of policies, standards and objectives for areas of responsibility as described below—and I shall read that part which pertains to the function of programming—and they are responsible for analysis and appraisal of operating results in these terms.

They are also responsible for the provision of expert and effective advice and services to all levels of management in their fields of specialization. In addition, they have individual duties as follows—and I shall read just the duties of the vice president of programming.

He ensures the development of program policies, standards and overall objectives, and the program balance and content of the corporation's radio and television broadcasting services, French, English, local, regional and national network; ensures the development of long range and immediate program planning, coordinating its local, regional network and national aspects; ensures the development of policies, standards and objectives for sales activities and program distribution; ensures the effective integration and coordination of research and statistics activities; and ensures the effective integration of policies and plans for programming, sales and research; analyzes and assesses program, research and sales performance in terms of corporation objectives, standards and policies.

Mr. MACDONNELL: You have given us that list of his duties, but has he got full authority or does he report higher up?

Mr. OUMET: Like all the vice-presidents, he reports higher up. There is no one in the corporation who does not report higher up.

Mr. McCLEAVE: Where do you report?

Mr. OUMET: I report to the board. The board, of which I am a member, is my boss.

Mr. SMITH (Calgary South): I wonder if Mr. Macdonnell is through?



Mr. MACDONNELL: Yes.

Mr. SMITH (*Calgary South*): At page 397 of the printed evidence, Mr. Ouimet, you have stated that one of the most important changes in your organization since 1959 has been the appointment of three general managers. Then, sir, on page 442, under examination by Mr. Lambert, you again went into the responsibilities of the vice-presidents. Because I have found some difficulty in reading the evidence, may I ascertain exactly where the authority for some decisions stops and begins with respect to a particular policy or program? For instance, if you have a decision to be made I assume that the general managers have their particular authority and they must, at some point, decide when to refer the matter to their superiors and, in turn, the vice-president to you. According to the evidence, there was an attempt made to determine where this began and where it ended and I wonder could you capitulate this with anything further?

Mr. OUIMET: The general managers and the people in line of operations are responsible for the execution of production and program schedules within the directives and policies of the corporation. This is a simple matter in the areas where the policies can be written down and can be specific for a particular operation, for example in the field of accounting.

Mr. SMITH (*Calgary South*): I see.

Mr. OUIMET: In such a field you can tie them down very easily as to how the books are going to be kept, and then the line officers keep their books in accordance with those policies. Similarly, in the field of programming, there are areas where the policies can be defined quite clearly, for example, the policies of the corporation with respect to the allocation of time to political parties. There are many others where we can be specific but, on the other hand, when you come to the application of a policy such as good taste, for example, it is a very difficult one to describe in words. Therefore, for those programs which involve the interpretation of policies which cannot be written down in a specific manner as to how they will be applied in each case, then there must be consultation between the line—what I refer to as the line—the general managers—and the vice-presidents. In this case, it would be with the vice-presidents of programming.

Mr. SMITH (*Calgary South*): Do you not feel, Mr. Ouimet, that there is not really so much important authority attaching to the general managers because of the fact that they are directly under the authority of the vice-presidents? Actually, the general managers have very little major authority?

Mr. OUIMET: No.

Mr. SMITH (*Calgary South*): What I am getting at is that you have too many chiefs and too few Indians. Have you too much top-heaviness in the administrative end?

Mr. OUIMET: Definitely no. If you had been present when I explained the organization, you would remember I said very definitely that the general managers are on equal level with the vice presidents. They do not report to the vice presidents; they report to the vice president of the corporation, but not to other vice presidents.

Mr. McGRATH: I have a supplementary question to ask regarding policy on programming. Mr. Ouimet, I think it is a fair statement to say that independent and commercial radio and television stations have a code of ethics regarding programming. Perhaps I can illustrate it simply in this way. There are certain words which can not be used on the air, just like there are certain words which are not acceptable in parliament. Is there such a policy in the corporation wherein a producer is circumscribed by this code or by these rules? I am thinking of obscene language, or a play with—do you get my point?

Mr. OUIMET: Yes, Mr. McGrath.

Mr. HORNER (*Acadia*): A very serious point.

Mr. PICKERSGILL: Note the eloquent silence.

Mr. OUIMET: I get the point and I was hoping you would give me a list of such words so that it would be even clearer. I believe this is really more of a program matter and, if we could discuss it when we are dealing with programming, then I think we could do justice to this subject.

Mr. CHOWN: I have here a copy of the code of ethics of the C.A.B., to which a very high percentage of private stations subscribe. Do you feel you are part of that? Do you subscribe to this code of ethics?

Mr. OUIMET: We are not part of the C.A.B. I do not think we would be eligible. Furthermore, I think this is a code of ethics which applies to a loosely knit organization. You see, it is a trade association and has not the same sort of integrated lines of authority and homogenous philosophy which we have in the corporation and which we are able to apply to each one of our own offices. Therefore, that is an entirely different proposition in a form suited to the needs of the C.A.B.

The CHAIRMAN: This is entirely on programming.

Mr. McGRATH: No, Mr. Chairman, with respect, it is not. It has to do with administration.

The CHAIRMAN: The words which can be used by the corporation?

Mr. PUGH: It is up to the corporation, to the administration, to define the code of ethics, if there is one. It is for the corporation to define what is proper and what is right to go out over its networks.

Mr. HORNER (*Acadia*): Has the C.B.C. got a code of ethics?

The CHAIRMAN: The question you asked, Mr. McGrath, was entirely different from a code of ethics.

Mr. PICKERSGILL: This is the first time I have heard ethics equated with vocabulary. It seems to be childish.

Mr. SMITH (*Calgary South*): If you are setting the standards, for this discussion, then it is going to be pretty low anyway.

Mr. HORNER (*Acadia*): Well said, Art.

Mr. MACDONNELL: This is a supplementary to my question, which Mr. Smith followed up. I want to find out where is the real, effective responsibility. As I understand it, you have a general manager and a vice president on the same level. They all report to the one vice president and he reports to you. Now, is there any report in writing at a lower level?

Mr. OUIMET: I am sorry, I missed the question.

Mr. MACDONNELL: Is there any report in writing to the general manager, or is it only a matter of friendly conversations up and down? Who assumes the first responsibility and who has the responsibility for changing that, if it is changed?

Mr. SMITH (*Calgary South*): Could we even find out if there is duplication between the responsibilities of the general managers and the vice-presidents?

Mr. OUIMET: There is none at all. I think I had better get that chart out again because I shall have to refer to the various lines in the organization.

Mr. MACDONNELL: I do not think we need it.

Mr. SMITH (*Calgary South*): And I do not think that the charts are necessary if the matter is fully described.

Mr. OUIMET: There is no duplication of responsibility between the vice presidents and the general managers. There is, I think, very clear authority



which was indicated on the chart by the heavy line which connected the office of the vice president with that of the general managers. So, in matters of execution a particular general manager is responsible for everything that goes on within his operating division, including all the programming but, in the execution of his duties, he has to stay within the policies of the corporation. It is the responsibility of the vice presidents to formulate and to recommend those policies, and to assess the working of the operating division against those policies and standards.

I think it is very clear, and as I said the first time, it is a very standard form of organization. It is the only form of organization suited to a company which has passed a certain size.

Mr. MACDONNELL: All I want to ask is whether there are reports made in writing by anyone?

Mr. OUMET: Yes, there are reports made in writing. They are made so often that, frankly, this is one of the worries of management, to make sure that there is not too much paper work going on. Then, too, we get a weekly summary of the activities of all the general managers and all the vice presidents. We get that in writing every week.

Mr. HORNER (*Acadia*): My question stems from something which was developing earlier? Has the C.B.C. got a code of standards which is given to their producers to follow?

Mr. OUMET: We have, of course, a much more elaborate system than what the C.A.B. would have to ensure the proper standards of our broadcasts. We have standards for each different kind of program and, in addition, we have the daily contact of the supervisors and the program directors over each one of our stations. Do not forget that in the case of the C.A.B., it is a written code so that independent, autonomous units can follow a pattern which will be acceptable to the association. In our case, we do this daily with our people, through our daily contacts with them, and we have the background of 25 years of working together as a closely knit organization. It is just not the same problem.

Miss AITKEN: Does this include your affiliates?

Mr. OUMET: No, we have no authority whatsoever over the content or the practices of our affiliates when they are operating within their own local time. The only authority we have is by agreement that they will carry certain programs during certain times of the day. Of course, during those times, we are responsible for the programming of our affiliates but, at other times, they act entirely as independent stations.

Mr. HORNER (*Acadia*): I have a supplementary to that. I wonder would it be possible for Mr. Oumet to produce to the committee a rough breakdown of this set of standards which is given to each of the nine different production divisions which were laid out in the chart? You have general radio, farms and fisheries programs, religious and institutional programs, public affairs programs, childrens' programs, musical programs, outside broadcasts and so forth. Would it be possible to give the committee that?

Mr. OUMET: That, of course, is a fairly big order. It is not just a few pages like the C.A.B. code of ethics. The instructions dealing with our news for example, run to about 40 pages. We can submit that to you as a sample, if you wish, or we can give you our directive on good taste—

Mr. PICKERSGILL: I suggest that would be very appropriate.

Mr. OUMET:—rather than try to cover the whole field.

Mr. HORNER (*Acadia*): Perhaps, rather than covering the whole field, if we had those standards for outside broadcasts, news and general T.V.—I am reading from your chart—and for public affairs, they would be of sufficient interest to us.



Mr. OUIMET: All right, for news and public affairs. As far as outside broadcasting is concerned I do not know whether there are any particular instructions in that area with regard to ethics and taste. These things do not apply to every field but they do to news and public affairs.

Mr. HORNER (*Acadia*): And general television.

Mr. OUIMET: And general television. I think we can assemble something.

Mr. PUGH: Are regular reports made to the president with regard to breaches of ethics and so on? Does good taste take in any particular field and, if regular reports are made, are they made in writing or do they come up at the various meetings which you have?

Mr. OUIMET: They may come up at board meetings.

Mr. PUGH: Have you ever asked for a report regarding a breach of discipline or ethics?

Mr. OUIMET: Yes, of course.

Mr. PUGH: Is it in writing?

Mr. OUIMET: There is a report—

Mr. PUGH: And it may be on any particular subject?

Mr. OUIMET: Yes. There are a number of reports on difficulties in programming. I do not know whether you could call them breaches of ethics.

Mr. PUGH: Have you ever had an occasion when you asked for a report on a certain program?

Mr. OUIMET: Yes, frequently.

Mr. PUGH: In writing?

Mr. OUIMET: Yes, frequently.

Mrs. CASSELMAN: Mr. Ouimet, there seems to be a great deal of worry, and recurring worry about duplication of authority, and you say the managers are responsible to the vice-president and so on. Is that the only way to handle this matter, now that the corporation is a certain size? Have you any idea that, with this certain size, matters may be getting a bit out of hand?

Mr. OUIMET: You are suggesting, perhaps, the corporation has become too large?

Mrs. CASSELMAN: Well, it seems to worry everyone here, in regard to duplication of responsibility. Does it worry you?

Mr. OUIMET: It worries me in the sense that it means a lot more work every time it grows, but the corporation must be of the size required to do the job that is asked of it. I do not know if you were here during my introductory report, when I used a number of maps to illustrate what the corporation did. At that time I pointed out that we are providing not only one service in one language but actually two distinct services. In addition to that we are serving a very large country through radio and television. I pointed out that we had four radio networks, two television networks, a number of radio and television stations and also the service to the north. I also pointed out that we had the international service and many other things, all of which require a large organization and the fact that we have a staff of some 7,300 or 7,500 does not mean that we are too big. I think it has got to be related to what we are asked to do.

It might interest you, for example, that the B.B.C. in England, which serves a much smaller country in terms of the number of stations it requires because the area is so much smaller and there is no problem of language in the sense of having two language services, where there is no difference in time zones, where there is no need to produce programs in one extreme of the country while we are duplicating to the other end of the country, where the B.B.C.

has no more networks than we have, no more stations and much less production, it has a staff which is more than double ours. Therefore, I would say that the C.B.C. has managed to do a great deal with a relatively small staff. I am the first one to agree that our staff is large but not large in relation to what we are asked to do, and what we are called on to do has been decided by parliament over the years.

The CHAIRMAN: Are you through, Mrs. Casselman?

Mrs. CASSELMAN: No. Then, on this basis you see a continued expansion?

Mr. OUMET: On this basis I foresee that, television being only 8½ years old in Canada and very young as a medium of expression, it will continue to grow throughout the world. It will grow in the United States, in England, and in Canada and the C.B.C. will have to do more in television than it is doing now. Eventually, as television is developed further, we shall have to have more coverage. I know a lot of people would like to have more hours of service and, if we want to survive in terms of our competition with the United States eventually we shall have to face that reality. We cannot let them start television broadcasting before breakfast while we only start it after lunch. That would be one good way of losing our audiences.

If we have to keep up with all these things and I think we shall have to, otherwise we shall fall behind, then there will be further growth, but much slower growth of the corporation in the years ahead. I have a chart to indicate this.

Mr. SMITH (*Calgary South*): We shall see the chart later but, at this point, I do not intend to deal with the 7,000 people in your organization. I am trying to find out whether, at management level, you are duplicating responsibilities, conceivably due to overstaffing. The line of authority is such as to leave me in doubt. Even at the risk of repetition, I should like to start with the board.

Mr. OUMET: There is no repetition.

Mr. SMITH (*Calgary South*): There is repetition in my asking the question. We shall start with the chairman of the board.

Mr. PICKERSGILL: That was illustrated already.

Mr. SMITH (*Calgary South*): Perhaps we shall let Mr. Ouimet answer the questions instead of Mr. Pickersgill. Now, you have a board of directors and you outlined some of their responsibilities during the last two or three meetings. Then we go down to the vice-presidents who assume major policy responsibility which is implemented by your general managers. Is that true, Mr. Ouimet?

Mr. OUMET: It is generally true.

Mr. SMITH (*Calgary South*): And the vice presidents have policy responsibilities and they recommend to the board of directors. This is also true?

Mr. OUMET: No, they recommend to the chief executive.

Mr. SMITH (*Calgary South*): To the chief executive. Now, how often do you use your board of directors? What value are they to you?

Mr. OUMET: This was discussed very clearly at our last meeting.

Mr. SMITH (*Calgary South*): I realize that, but do they do any more than approve the recommendations of the vice presidents?

Mr. OUMET: I think this is a matter which must be made very clear. It was, as I say, made clear at the last meeting that the board is a very, very active board. I do not know whether there is any other board in Canada which takes so much detailed interest in the operation of an organization as does our board.



Mr. SMITH (*Calgary South*): May I ask you, without generalizing, do they initiate any recommendations themselves?

Mr. OUMET: They do.

Mr. SMITH (*Calgary South*): Could you indicate to the committee the type of recommendations they initiate?

Mr. OUMET: They do it all the time. At every meeting we have discussions on the programs of the corporation broadcast during the interval between board meetings.

Mr. SMITH (*Calgary South*): Do they reject any of your decisions, Mr. Oumet?

Mr. OUMET: They do, and they may.

Mr. SMITH (*Calgary South*): They have, you say?

Mr. OUMET: Yes, they have.

Mr. SMITH (*Calgary South*): The board has rejected decisions of yourself and the executive officers?

Mr. OUMET: Recommendations, rather than decisions. The management of the corporation is quite experienced and would not make decisions unless it was sure of the support of the board. Therefore, if there is any doubt in our minds as to the wisdom of a decision, or whether the board will support us, the matter is submitted to the board for approval before a decision is made.

Mr. SMITH (*Calgary South*): You are saying, in effect, in that it approves the decisions already made by the executive?

Mr. OUMET: No, our board is like any other board. It fulfills its functions.

Mr. McCLEAVE: Mr. Chairman, this might help bridge the gap between organization—which we are now considering—and programming. A couple of meetings ago members asked questions about how programs were planned and how specific types of people became involved in them. Perhaps, instead of looking ahead to programs coming off in the future, it might be more simple to obtain the case history of a program that has already gone on the air, find out where the idea for it originated, who consulted whom and all the steps taken between the initial idea and the actual broadcast of the program. If I may suggest one program, a rather delightful piece, “Mr. Perelman on Q for Quest”. Could we have a two or three page report showing how that program originated, how it developed, how the actors were chosen and so on. I think that might give us a good example of how a program initiates and is eventually transmitted.

The CHAIRMAN: Is that possible?

Mr. OUMET: Yes, we can supply that information.

Mr. MACDONNELL: Do you keep minutes of your board meetings, containing records of discussions? Let me be quite frank, we all know that in boards of directors there is a tendency for the permanent members to guide the other members. I am anxious to know what contributions are made by the non-permanent members of your board. I think that is relevant and may I add to that question that the committee of two years ago were critical of the corporation for the corporation's so-called failure to control its programs from the top. Has there been a change since then and, if so, in what respect?

Mr. OUMET: If I may answer the first question about the minutes of the board, the board does keep minutes and has to keep them in accordance with the requirements of an act. I believe it is the financial administration act for crown corporations. As to the second question, with respect to the criticism of two years ago regarding our general program policy, I cannot say that there has been a change because I do not think a change was needed.



When the committee of 1959 sat, the board was a very new board. It had just been appointed. As a matter of fact, I had attended only one meeting before I had to go on sick leave but, at that first meeting, a program committee of the board was established and that program committee has been very active ever since so that the action you speak of was really taken before the parliamentary committee of 1959 sat.

Mr. CREAGHAN: May I ask a supplementary question on directors' meetings? What was the date of the last directors' meeting? I do not require the exact date.

Mr. OUIMET: It was last week.

Mr. CREAGHAN: Was the board in full attendance?

Mr. OUIMET: The board was in full attendance except for one member who is in Europe at the present time.

Mr. CREAGHAN: And who is the secretary for the meeting of the board of directors?

Mr. OUIMET: Well, we have a secretary to the board and his name is Jack Halbert.

Mr. CREAGHAN: What is his other position, if any?

Mr. OUIMET: No other position.

Mr. CREAGHAN: Does he produce detailed minutes for the next meeting, just like any other corporation?

Mr. OUIMET: Yes, he does.

Mr. CREAGHAN: Would it be possible for him to produce the minutes for the meeting held last week?

The CHAIRMAN: Again, I think this was taken up by Mr. Chown and we are going to consider it in subcommittee.

Mr. CREAGHAN: Has the chairman of the board any other responsibility other than convening the meetings of the board?

Mr. OUIMET: He has no other responsibility as chairman of the board, but the same person is chairman of the finance committee.

Mr. CREAGHAN: You have mentioned the committees. What is the relationship of the committees to the board? Is there an active liaison and to what extent does it go?

Mr. OUIMET: The committees are advisory committees to the board, except the executive committee. The program committee and the finance committee make systematic reviews in the program and finance fields and report to the board at every meeting of the board.

Mr. SMITH (*Calgary South*): I wonder, Mr. Ouimet, would you think this a fair question: Would it be in the interests of the corporation to separate the board from the executive officers as such? Would you not feel happier if you were not an ex-officio member of the board. Would this not be politically more suitable to you?

Mr. OUIMET: I do not know about the political aspect of it.

Mr. SMITH (*Calgary South*): Political, in terms of the corporation.

Mr. OUIMET: I do not think so. I think practically all modern corporations have what are called mixed boards, that is, some outside members and some inside members. There are very few corporations in Canada and the United States which operate with purely all outside or purely all inside boards. Ours, I think, is a good mixture of the two. There are two members of the board who are full-time officers and that ensures to the board the sort of professional know-how that is needed on a board. By the way, I should point out that all the other crown corporations are also organized on this basis, unless there has been some recent change.

Mr. SMITH (*Calgary South*): You are drawing a comparison, Mr. Ouimet, which I think is hardly practical. May I ask you this: Do you want to make some further reply?

Mr. CHOWN: It was a reasonable assertion.

Mr. SMITH (*Calgary South*): Are there any recommendations which get back to the committees, having been vetoed by the executive officers without reference to the board?

Mr. OUIMET: You are probably thinking of these committees as management committees. They are board committees. We also have management committees but these board committees have no authority themselves and they must report and recommend to the board as a whole, and it is the board as a whole which takes the decisions.

Mr. SMITH (*Calgary South*): Committees could, of course, be avoided by the executive officers? I mean, the recommendations can be vetoed by the president or vice president but they may never get to the board?

Mr. OUIMET: Most of them never get to the board from management committees.

Mr. PICKERSGILL: I wonder if Mr. Ouimet could give us a few illustrations of the kind of matters of policy with which the board concerns itself. I cannot imagine that the board concerns itself with the details of administration or, even, with the details of programming. Perhaps Mr. Ouimet would be helpful in indicating to the committee the policies in which the board concerns itself.

Mr. OUIMET: Let me take the field of programming and the field of finance. In the field of programming, as I have already explained, we have a program committee of the board and that committee meets usually for one full day prior to the full board meeting. At our meeting last week it actually met for a day and a half. During that day, or day and a half, the committee systematically reviews all the highlights of our program activities. It reviews anything of importance or anything that has turned out to be controversial. Then, of course, the directors come to the board meeting and they bring with them any personal observations they may have, or any observations which might have been passed on to them, observations they may have read in the press, or comments made to them. Usually they come with pretty lively suggestions with respect to the programs which have appeared on the screen or been heard on the air during the previous two months.

In certain cases a program may be the subject of prolonged discussion. It may be discussed for an hour, two hours or a whole half day. This would happen where a program might be of a controversial nature or where a matter of policy might be involved, either the interpretation of established policy or the formulation of a new one. They would also systematically review the balance of representation in opinion programming. In addition, the board through its program committee has studied each of our policies in turn as they apply to specific areas. Recently we were studying the whole field of music; before that we studied talks and news, and religious broadcasting so that eventually we shall have covered the whole field of our policies in programming.

That is how it is done in the field of programming and in a similar, or perhaps in a more detailed way, there is a study and a very thorough one, I may say, of everything which goes on in the corporation in terms of finance activities.

Mr. M. J. A. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): Let us talk of finance, the determination of financial policies.



Mr. OUIMET: The finance committee of the board has been a very active one. It meets more often than the other committees. It meets at least once a month and also holds special meetings. At every meeting it reviews the monthly financial statements of the corporation, its monthly balance sheets, its revenue and expenditures statement and other ancillary financial statements that we provide to the committee. Furthermore, it investigates systematically all of the expenditures of the corporation. For example, it has made a very thorough study of our film inventories. This was done because there was some concern at one time that the amount of money we had tied up in films might be more than necessary. The finance committee also reviews all the recommendations of management for budgets and will actually recommend to the board their approval or disapproval of the budgets submitted by management.

Mr. MACDONNELL: Does it comment on capital expenditures?

Mr. OUIMET: And capital operations as well. Furthermore, any acquisition of real property or the rental of property goes to the finance committee to be examined and, in this particular case, even relatively minor questions of leases are submitted to the committee for approval. I believe it is the general practice of the committee to give considerable attention to anything which reflects or is measure of the growth of the organization, as would be the rental of new space or the purchase of property.

Mr. McQUILLAN: Mr. Chairman, I presume there is an agenda prepared before hand for these directors' meetings?

Mr. OUIMET: Most definitely.

Mr. McQUILLAN: Would it be possible to have a few sample copies of the agenda?

The CHAIRMAN: This has been brought up by Mr. Chown and is being examined by the subcommittee.

Mr. LAMBERT: In these studies and deliberations of the finance committee do they work on material provided by management or do they produce independent studies or initiate independent requests and studies?

Mr. OUIMET: They do both. There are a number of matters which are brought to the committee on the initiative of management. On the other hand, there is probably an equal quantity or volume of other matters which management brings to the committee on the initiative of the committee itself. The committee may, in looking over a financial report, pick out two or three items and ask for more information and a thorough study of them. In fact such matters may be the subject of discussion for a number of meetings.

Mr. LAMBERT: In the field of the annual budget of the corporation, what participation has the finance committee in the preparation and formulation of the budget for the board of directors, and what happens to the budget in the matter of its complete approval?

Mr. OUIMET: The finance committee receives from management recommendations in detail for the operations budget before it is discussed with the board and then with the officials of the treasury board and finally, with the treasury board.

Mr. LAMBERT: Now, what about the capital budget, Does it receive the same consideration as the operations budget?

Mr. OUIMET: Exactly the same consideration. As a matter of fact, it is discussed at the same time of the year with the finance committee, and sometimes over a period of several meetings. It is not necessarily all done at one



meeting. The finance committee and the board give the same attention to capital expenditure figures as they do to operations figures.

Mr. LAMBERT: Does the finance committee pass on the budget before it is submitted in its final form to the board for approval and consideration?

Mr. OUMET: Yes, it does. The finance committee actually recommends to the board on the budget.

Mr. LAMBERT: And then the board recommends it to the government?

Mr. OUMET: The board then approves of it or changes it, or whatever may be the case. It makes a final decision on it and then the budget is turned back to the chief executive officer, the president, and discussed with the treasury board officials. Then it follows the line of the treasury board for final vote.

The CHAIRMAN: Mr. McQuillan, have you finished?

Mr. MCQUILLAN: I was asking could we have copies of the agenda of past meetings.

The CHAIRMAN: This request has been put forward by Mr. Chown and Mr. Creaghan and we have to discuss it in subcommittee.

Mr. RICHARD (*Ottawa East*): Some time ago, Mr. Ouimet, you mentioned about leases and acquiring properties. Do I understand that such matters are subject to the approval of your board of directors and that you can acquire land without treasury board consent?

Mr. OUMET: I was just outlining the steps taken by one committee within the corporation on expenditures for real property. We have to go back for order-in-council approval if such an expenditure is in excess of \$100,000 or if, the term of an agreement, is five years or more.

Mr. HORNER (*Acadia*): I have a supplementary to that. In the acquiring of capital assets or building, or the construction of new buildings, does the corporation ask for tenders—public tenders?

Mr. OUMET: Yes, unless there is a very small sum involved. In the acquisition of property, or the building of new studios, we take steps to get an independent evaluator and, if it is the construction of a new building which is involved, then, we call for tenders. But, I should make a distinction here. They are not public tenders in the sense that the phrase is used by the government. Our tenders go to a list of five, six, eight or ten contractors who have indicated their interest in bidding or whom we know are available. This is a practice we have had for many years and, instead of calling for public tenders and sometimes having to refuse the lowest tender because it may be from a contractor who has not got sufficient financial backing or who has not got the technical know-how but nevertheless manages to put in a low tender, we make our decision with respect to the acceptability of these contractors before we ask them to bid. Generally speaking, we always give a contract to the lowest tenderer.

The CHAIRMAN: May I interrupt to say that I think we are getting into finance and engineering.

Mr. HORNER (*Acadia*): I have another question on the subject.

The CHAIRMAN: This has very little to do with policy and organization but I think we can go a little further on finance.

Mr. MACDONNELL: You may rule out my question, perhaps on the ground that it is not strictly to do with administration. Mr. Ouimet has said that the function of the finance committee is largely that of a very efficient watch dog, to see that money is spent properly and so on. I would imagine that in matters of capital expenditure it has been the policy to provide facilities within the corporation and I should like to know is it the policy of the corporation

that they feel they must have their own complete set-up and that is why such care is devoted to heavy capital expenditures?

Mr. OUIMET: Over the years we have come to the conclusion that the most economical way of operating is by having our own facilities. Taking our production facilities as an example, they are practically loaded to the extreme. In certain places during the peak of our season we have to operate practically around the clock, such as in Montreal and Toronto, and it is very difficult to use the facilities and staffs of our private affiliates. We have tried, we have made offers on several occasions to them to come up with production ideas we could use for our network but, in practice, there is only one station which has satisfied our network requirements.

Mr. MACDONNELL: I think I had better leave the matter there until we come to deal with finance.

Mr. SIMPSON: I want to know how many people comprise the finance committee?

Mr. OUIMET: There are five.

Mr. SIMPSON: Who are they?

Mr. CHOWN: That is in the evidence, I believe.

Mr. SIMPSON: I was looking for it.

Mr. OUIMET: The chairman of the finance committee is Mr. Dunsmore, then there is Mr. Leeson, Ganong, the vice president and myself.

Mr. MCQUILLAN: Who takes the decisions on the acceptance of these selected tenders you spoke about?

Mr. OUIMET: This is done by a committee, by a management committee especially set up for that purpose made up of the chief engineer, the director of engineering and, if there is a building involved, the chief architect and our vice president of engineering and operations. They recommend to the chief executive. However, if there was a real problem of policy involved, if for some reason the management thought the contract should be given to someone other than the lowest tenderer, in that case we would refer it to the board. But, if there is no problem of policy, if it is the lowest tenderer and there are no difficulties, the committee makes the decision.

Mr. HORNER (*Acadia*): I have a question on another point.

Mr. McGRATH: I rise on a point of order.

The CHAIRMAN: What is your point of order?

Mr. McGRATH: In view of the extended sittings of the House of Commons and, in view of the fact that the house will be sitting now at 11 o'clock, I would suggest for the consideration of the committee that we consider adjourning 15 minutes before the sitting time of the House of Commons.

Mr. HORNER (*Acadia*): It is not necessary. We can hop up in two minutes, or one minute.

Mr. McGRATH: Some of us are rather early birds.

Mr. CHOWN: And some of us are in good condition physically.

Mr. SMITH (*Calgary South*): On page 438, in reply to a question addressed to you by the chairman, you referred to the checks on programs and, a little bit further on, in reply to Mr. Horner on the same subject, you say to the chairman:

That may be so, but, if it is something in a sensitive area, it is subject to a number of controls and checks above the producer.

Then, in reply to Mr. Horner, who asked a question on how a particular series is decided, who asked did the producer of the series decide far enough



in advance of the program what the series would include and did he more or less decide what he would do from week to week, you replied:

No, that is not correct.

Now, my question is quite simple. In the event that you are producing a particular show which, during the course of its production you decide is not suitable, for a variety of reasons, is it correct to say that the supervisor is the first person responsible, or is it the producer of the program himself who has to determine the suitability of the program?

Mr. OUIMET: It is correct to say both. Of course, the producer is responsible, but actually the supervisor is the man with the general training and knowledge of corporation policy and he also knows the artistic requirements of a show.

Mr. SMITH (*Calgary South*): I see, but is it possible, Mr. Ouimet, that such production may get well along the line before the producer or the supervisor decides to pull them?

Mr. OUIMET: So far as the producer is concerned there is no reason why that should happen because he is the one who is producing the program. If he thinks it is bad he should stop it immediately.

Mr. SMITH (*Calgary South*): That follows.

Mr. OUIMET: But, so far as the supervisor is concerned, the degree to which the production progresses might well depend on the nature of the difficulty. If it is something which is obvious then, of course, it will be stopped immediately but if it is something that is a matter of opinion the program may even be tried and completed before a final decision is made.

Mr. SMITH (*Calgary South*): I see. You say there are a number of checks above and below the producer. Who is the supervisor?

Mr. OUIMET: The program director and, in many cases, the committee which has the responsibility for advising on a particular program.

Mr. SMITH (*Calgary South*): But there is no one in particular who has the responsibility to see that severe costs are not involved?

Mr. OUIMET: You see—

Mr. SMITH (*Calgary South*): If I may finish, Mr. Ouimet. So far as production costs are involved and a program has to be cancelled, who has that responsibility?

Mr. OUIMET: Most definitely the program director has that responsibility.

Mr. SMITH (*Calgary South*): Do any programs reach the point where costs are really fairly high before the programs are cancelled?

Mr. OUIMET: No.

Mr. SMITH (*Calgary South*): Do any?

Mr. OUIMET: Yes.

Mr. SMITH (*Calgary South*): You would not like to say how many, Mr. Ouimet?

Mr. OUIMET: A few.

Mr. SMITH (*Calgary South*): How many is "few"?

Mr. OUIMET: Let us say half a dozen in the last two or three years.

Mr. SMITH (*Calgary South*): Half a dozen in the last two or three years. Could you indicate what costs were involved? Would you have any idea?

Mr. OUIMET: No, and furthermore, I think that like any other business we cannot be one hundred per cent efficient.

Mr. SMITH (*Calgary South*): That is appreciated.



Mr. OUMET: There are some rejects like there are in any other business. Of course our product is programs and so the rejects would be in the field of programs.

Mr. SMITH (*Calgary South*): That is appreciated but what I am trying to determine is could they be stopped at an earlier point?

Mr. OUMET: This is what we try to determine ourselves, and we do the best we can.

Mr. HORNER (*Acadia*): My question stems from something you said, as reported at page 439 of the printed evidence, in answer to a question put by Mr. Baldwin. You said:

This is a question of what we call broadcasting judgment. Over the years, basing ourselves on the reaction of the public we serve, I think we have come to some pretty definite conclusions with regard to what constitutes a significant public.

I wonder could you tell the committee a little more with regard to the pretty definite conclusion the corporation has come to with regard to what constitutes "a significant public"?

Mr. OUMET: I do not think it is necessary to table a statement. I think I can deal with that now. I did not mean to imply that we had a certain figure in mind which was to be the yardstick for a significant public for all kinds of programs. If, for example, we are making a program on sports, we expect the audience will be very large, larger than if we were putting out a program which is designed for what we call minority tastes. In the latter case an audience of five per cent may be very satisfactory. Therefore, there is no specific figure that I can give. It varies for each type of program, depending on the area involved.

Mr. CHOWN: Whether or not the subcommittee decides to have tabled this report of the management consultants on salaries, I want to ask would Mr. Ouimet's officials have ready and available the salaries and incomes of junior executives who are under the statutory top limit which is fixed for the president of the corporation? I do not ask for the names of the personnel but I should like to know the numbers in each classification of the executive and their salary ranges. I presume that if the report of the management consultants will be tabled, as I think it should be, these figures can be seen on a comparative basis.

Mr. OUMET: The report of the management consultants covered fairly senior management personnel and you are referring to junior executives. Maybe you mean those below president and vice president?

Mr. CHOWN: Yes. I want to clarify the start of the management level, that line which we were discussing previously and, if these figures are not in that report perhaps the information can be tabled?

The CHAIRMAN: We shall study that in subcommittee at our next meeting.

—The committee adjourned.



## Appendix "B"

## CANADIAN BROADCASTING CORPORATION

## SENIOR OFFICERS—HEAD OFFICE

		Years of Service
Marcel Carter	Vice-President, Administration .....	17
V. F. Davies	Comptroller .....	3
R. C. Fraser	Vice-President, Corporate Affairs .....	17
J. P. Gilmore	Vice-President, Engineering and Operations....	20
E. S. Hallman	Vice-President, Programming .....	11
C. Jennings	General Manager, Regional Broadcasting .....	25
R. P. Landry	Vice-President and Assistant to the President ..	28
M. Ouimet	General Manager, Network Broadcasting (Fr.) ..	22
H. G. Walker	General Manager, Network Broadcasting (Eng.)	25
W. T. Armstrong	Director of Information Services .....	3
J. M. Beaudet	Assistant Vice-President, Programming .....	— (15)*
D. C. Crone	Director of Management Services .....	5
W. Duffield	Director of Planning .....	13
R. E. Keddy	Director of Personnel and Organization .....	24
A. H. M. Laidlaw	General Counsel .....	5
L. B. MacDonald	Director, Policy Section, Corporate Affairs .....	20
W. A. Macdonald	Director of Public Relations .....	3
D. C. McArthur	Director of Special Program Projects .....	22
C. B. McKee	Director of Industrial and Talent Relations .....	13
N. M. Morrison	Director of Research and Statistics .....	21
F. Mutrie	Director of Operations .....	20
F. Peers	Director of Information Programming .....	13
J. Pelland	Director of Accounting .....	7
W. G. Richardson	Director of Engineering .....	26
O. J. W. Shugg	Director of Sales Policy and Planning .....	1 (4)*
C. G. Spence	Internal Auditor .....	6
C. E. Stiles	Director of Purchasing and Stores .....	27
J. J. Trudeau	Director of French Section, Corporate Affairs ..	12
D. C. West	Director of Operations Control .....	11
C. Young	Director of Station Relations .....	24

\*Cumulative service prior to re-appointment.



## Appendix "C"

## CANADIAN BROADCASTING CORPORATION

140 Wellington Street,  
Ottawa, Ontario,  
April 24, 1961.

Mr. A. Chassé,  
Clerk of the Broadcasting Committee,  
Room 232, West Block,  
Ottawa, Ontario.

Dear Mr. Chassé,

At the Broadcasting Committee meeting on March 14th Mr. Keays requested a return, showing numbers of professional engineers and architects employed by the Corporation for the last three years.

Our records show that at March 31, 1959, the Corporation had 46 electrical engineers, 3 mechanical engineers and 6 architects on staff. The corresponding figures for March 31, 1960 are 55, 3 and 6, and for March 31, 1961 they are 57, 5 and 21.

In addition, the Corporation engaged the services of 6 consulting engineering firms in 1958-59, 10 in 1959-60 and 5 in 1960-61.

Yours sincerely,

(signed) Barry MacDonald

Director, Policy Section,  
Corporate Affairs.







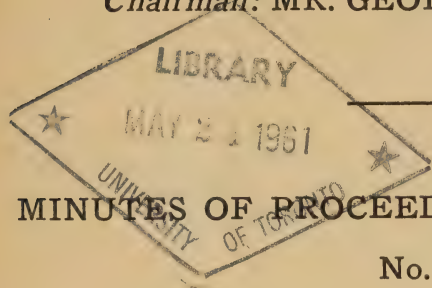
HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD



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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

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THURSDAY, MAY 4, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

THURSDAY, May 4, 1961.

(21)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Fairfield, Fisher, Fortin, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, McGrath, Mitchell, Pickersgill, Pratt, Pugh, Regnier, Richard (*Ottawa East*), Smith (*Calgary South*), Smith (*Simcoe North*), Webb—(21).

*In attendance:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. Ronald Fraser, Vice-President, Corporate Affairs; Mr. Marcel Ouimet, General Manager, Networks Broadcasting (*French*); Mr. R. E. Keddy, Director of Personnel and Organization; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

As the proceedings opened the Chairman reported that the subcommittee on Agenda and Procedure had considered the propriety of requests made by Mr. Chown for certain information concerning meetings of the Canadian Broadcasting Corporation's Board of Directors, and its members had come to the conclusion, and so recommended, that the CBC be required to produce a fac-simile of the agenda of a typical meeting of the Board of Directors, but as the minutes of such meetings were privileged documents, the CBC be not required to produce these.

Insofar as a third question, regarding a report of the management consultants retained by CBC to inquire into the salary scale of junior executives of the Corporation, is concerned, the Subcommittee felt this was privileged as well and might be of a prejudicial nature to the Corporation if made public in such a competitive field.

The Committee unanimously agreed to these recommendations.

The Committee resumed from Tuesday, May 2nd, its adjourned inquiry into the operations of the Canadian Broadcasting Corporation.

A return showing members of staff and amount of wages and costs by location, requested by Mr. Horner (*Acadia*) on April 20th (*see page 456 of the evidence*), was filed by the Canadian Broadcasting Corporation and copies of same distributed to the members present. However, it was agreed that the said return be appended to to-day's printed report of proceedings (*See Appendix "A" hereto*.)

Mr. Alphonse Ouimet's examination was continued. He was assisted by Captain Briggs and Mr. Carter.



## SPECIAL COMMITTEE

During his interrogation, Mr. Ouimet filed a chart showing staff distribution of radio and integrated services, television and international service, as of March 31, 1960. Copies thereof were distributed around, however, it was agreed that the said chart be appended to to-day's printed report of proceedings. (*See appendix "B" hereto.*)

And the examination of Mr. Ouimet and others still continuing, it was adjourned to the next sitting.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Tuesday, May 9th, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

THURSDAY,  
May 4, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman and gentlemen. We have a quorum and the meeting will come to order.

The subcommittee met this morning to consider some requests made by Mr. Chown. He asked for the production of three things, first of all, a typical agenda for a meeting of the C.B.C. board of directors. There is no protest about that, at all. Secondly, he asked for the production of minutes of a typical meeting of the board of directors of the C.B.C. The steering committee felt that these are privileged documents and should not be made public.

Is that agreed to by the rest of the committee?

Some Hon. MEMBERS: Agreed.

Mr. CHOWN: In retrospect, I think I can understand the reasoning behind that. When I thought about it again, I came to the same view, but I do feel that the production of a typical agenda is something that could be useful to the committee.

The CHAIRMAN: That has been agreed to.

Mr. CHOWN: So I understand.

The CHAIRMAN: Thirdly, Mr. Chown asked for a report of the management consultants retained by C.B.C. to inquire into the salary scale of junior executives of the corporation. The steering committee felt this was privileged as well and might be a prejudicial nature to the corporation if made public in such a competitive field. Does the committee agree with the steering committee on this?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: At the meeting of our committee on April 20, Mr. Horner asked for a return showing the number of staff, and the amount of wages costs per location. Copies of that are to hand and will be distributed immediately. Is it agreed that this should be published in the printed record as an appendix?

Some Hon. MEMBERS: agreed.

(See appendix "A" hereto.)

The CHAIRMAN: At our last few meetings we were thundering around in organization, administration and personnel. That, I think, has been pretty well thrashed out and it is about time we made some progress.

Mr. PICKERSGILL: Hear, hear.

The CHAIRMAN: If we get into an area which seems to puzzle some members of the committee, I think it would be a good idea for them to remember that answers may be given later on concerning matters in which they are interested. If they are not, and if members still have particular questions they wish to ask, we shall try to have a meeting or two at the end, if the end ever draws to any conclusion, when those questions can be grouped together and raised with the witnesses. If that is agreed to, we can then go on with personnel.

Some Hon. MEMBERS: Agreed.

Mr. SMITH (*Calgary South*): Mr. Chairman, certain figures have been produced in reply to the question asked by Mr. Horner concerning personnel and, as this is the subject we are discussing today, may I again repeat that I would like to receive—and I have asked for it previously—a breakdown of the categories of various personnel, and the numbers employed in each category?

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): This will be distributed to you immediately.

Mr. HORNER (*Acadia*): This list which has been sent around is not exactly what I sought. I asked for a continuation of the table which starts on page 680 of the 1959 report which sets out the various places in which the C.B.C. carries on operations, both in radio and television. It lists the number of persons employed in the executive branch, the senior administration staff, junior administration staff, programming staff and so forth, down to T.V. news, design and staging. What I wanted to know was the cost of each of these operations, the cost of operating the station in Halifax, the station in Montreal and so on, right across the board, as tabled from pages 680 to 696 in the 1959 report. The tabulation distributed today covers certain matters but it is not as detailed as the information given to the committee in 1959. I think we should have something a little more.

Mr. OUMET: Mr. Horner, the return we gave you this morning was based on what I thought had been the understanding following our discussion on April 20.

Mr. HORNER (*Acadia*): Allow me to clear that up at once. It was not my understanding.

Mr. OUMET: Then we will distribute exactly the same thing we gave the committee in 1959.

Mr. HORNER (*Acadia*): Plus the costs of the operations in each of the areas. For example, I notice that the C.B.C. employs 29 personnel in Calgary and I want to know how much it costs the C.B.C. to carry on operations in Calgary, how much it costs them to carry on operations in Vancouver and Winnipeg so that then I can have a reasonable estimate of what the new station is going to cost in Edmonton.

Mr. OUMET: May we have the list of staff distribution, as prepared at present, accepted? It is going to form at least part of the answer to your question and we shall follow it up with a list of costs, but that will be a separate sheet.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: May we have agreement to have this chart listing staff distribution for radio and integrated services also included as an appendix?

Some Hon. MEMBERS: Agreed.

(See Appendix "B" hereto.)

Mr. MACDONNELL: May I raise a general question? The last date for which we have minutes of our proceedings is April 20 and it seems to me it is obviously a great disadvantage for us to be so far behind in the minutes of our meetings. I know it may be impossible to do better and I realize there are a lot of committee meetings but I just raise the question to say I wonder if anything can be done. It seems to me we are at a great disadvantage in lacking the minutes of the last three or four meetings of the committee.

The CHAIRMAN: I shall see about that, Mr. Macdonnell. You will understand, however, that there are about six committees meeting at the same time.

Mr. MACDONNELL: I realize that.

The CHAIRMAN: We shall do the best we can.



Mr. MACDONNELL: I think it is a great handicap to the committee.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: Since we are having house sittings on Saturdays, is it possible for you to give consideration to having meetings of the committee on Saturday mornings?

Mr. OUMET: There is, only we have to do our work in the C.B.C.

Mr. CHOWN: Indeed we are beginning to wonder when the executive of the C.B.C. does find time to do its work.

Mr. FISHER: The more meetings we have the sooner we shall be through

Mr. SMITH (*Calgary South*): At the steering committee last week we decided to complete this week's sittings and then determine how we were going to proceed. Possibly at the steering committee on Monday an assessment can be made of future meetings to be held.

Mr. PICKERSGILL: So long as we are not having extra meetings. We should not have half as many meetings.

Mr. SMITH (*Calgary South*): Mr. Pickersgill was heard from.

The CHAIRMAN: Do you have any statement to make, Mr. Oumet, before we get into personnel?

Mr. OUMET: I am just wondering, since we are going to discuss the growth of the staff of the corporation—and I know this is a matter of concern to the committee, indeed, it is a matter of concern to us also—whether it would be useful to the committee to see how it has grown and how the growth has been related to the growth of television in Canada. I have two charts here which would illustrate that phenomenon.

Mr. CHOWN: They would be useful.

Mr. OUMET: At various times we have talked about the explosive growth of television in Canada and you might have been wondering what we meant by that. In this chart—percentage of wired homes with television—which is a preliminary one I wanted to show you before I show you the one dealing with the growth of the staff, there is an illustration of the growth of television in three countries. The green curve is the United States, the blue curve is Canada and the yellow curve is the United Kingdom. Of course, it is difficult to find one index which will be really representative of such a complex thing as television development but there is one which is recognized as the best means of gauging the extent of the development of television in any country, that is, the number of wired homes equipped with television expressed as a percentage of the total number of homes.

Therefore, you will see that between the years 1946 and 1960 the chart illustrates the growth of television in the United States. Television started there in 1946 and 4 years later they were up to 10 per cent circulation of receivers. Then the development started to rise very fast, and, by 1956, they were up to something like 75 per cent.

In England television started in 1936 but the war interfered with further development so that actually in 1946 they had less of a circulation than the United States. In any case, there again the growth picked up around 1950 and has been following this yellow curve. Now, the thing I want to bring out is what happened in Canada. In Canada we started television in 1952, six years after the United States, and we started with actually about 8 per cent of the homes already equipped because a number of Canadian homes at that time could get signals from the United States. You can see that with the advent of the C.B.C.'s stations in Toronto and Montreal, the growth of circulation of receivers in Canada soared at an astonishing rate. It is a much faster rate than that of the United States and also a much faster rate than that of Great Britain.

For example, if we take the year 1952 the United States already had something like 37 per cent of their homes equipped while we had less than 10 per cent. Then, in the four short years between 1952 and 1956, we caught up with them with 75 per cent of the homes in Canada equipped with television. Of course, as you reach 100 per cent saturation, or as you get near to it, because we shall never reach it, the growth flattens out, and this graph which has been based on a series of tables published in the United States does not provide us with the exact data to enable us to guarantee full accuracy at the top end. I am not absolutely sure that we are all at 90 per cent, but we are all very near to it. Now, in commenting on the explosive growth of television in Canada, I should like to say that, of course, the C.B.C. does not take any particular credit for the rapidity of this growth. The only credit we take is in regard to our control and development in a systematic and orderly way, in spite of this astonishing development which is unparalleled in any other country.

The CHAIRMAN: Are you through with your statement on size and growth?

Mr. OUMET: Yes.

The CHAIRMAN: Are there any questions on this?

Mr. HORNER (*Acadia*): I have one question on size and growth. I take it it was definitely felt that in order to continue the distribution of C.B.C. programs, the corporation must have a new station in Edmonton to assist in continuing the growth of television?

Mr. OUMET: We shall certainly have to continue this growth. However, the reason for the station in Edmonton is that we needed to have a production centre between Winnipeg and Vancouver in order to reflect in our national programming to the other provinces the life of Alberta and Edmonton.

Mr. Chairman, it was my intention to show the other chart now, because the first one provided background only.

Mr. HORNER (*Acadia*): I have one further question arising out of what Mr. Oumet has just said. Could we have a chart prepared showing the amount of network broadcasting done in production centres outside of Toronto and Montreal?

Mr. OUMET: On the English network, 35 per cent is done outside of Toronto.

Mr. HORNER (*Acadia*): Could we have that broken down? Is it 12½ per cent—sorry, my mathematics is bad—17½ per cent in Vancouver and 17½ per cent somewhere else?

Mr. OUMET: We shall provide that information. This second chart is just to relate the growth of the staff of the corporation to the curve you saw a moment ago. The blue curve is the same curve as we had shown for Canada, except that the scale is changed. The people who made the graph compressed the scale but it is exactly the same figures in terms of percentages of homes. We have plotted the growth of staff of the C.B.C., but immediately I must point out to you that this is like comparing apples and oranges. The actual figures have no relation to one another. This is in terms of percentages, not in terms of 1,000 employees. I say this because I do not want to mislead you in any way in thinking the scales are related. What I am trying to show is how the two phenomena are related. In the case of growth of television, as exemplified by the number of homes equipped with television, you have this curve here, and the growth of the staff of the C.B.C. is following the green curve. Of course, we did not start from zero because we had the radio service but, with



the advent of television, you had this very quick rise in the number of employees of the corporation and now it is saturated, in the same way as the receiver circulation is saturated.

Therefore, you have here in graphic form an idea of how the staff has grown and it should be noted that the explosion is over. However, we are still growing because we are still developing the service.

Mr. FISHER: May I ask a question in relation to this? In the totals you have given us for staff in radio and integrated services they work out at 3,460, and in television the total is approximately 3,500. Has the growth been in radio and integrated services?

Mr. OUMET: No. The growth has been largely in integrated services and in television.

Mr. SMITH (*Calgary South*): At the last meeting we were trying to decide whether or not you have enough staff, or too much staff. It is a difficult question and I am sure we appreciate the difficulty but I think what concerns those of us who have been on any of the C.B.C. sets is seeing a great number of people, far more than perhaps we might see on the set of an independent broadcasting unit. May I ask you then if, perhaps, part of your problem in determining the number of people employed in your organization is, to some degree, established by a union requirement in that you are required to employ a certain number of people to do a specific number of jobs? Is this a factor in the total figure?

Mr. OUMET: It is definitely a factor, but it is not the only factor. When you are comparing the number of people we use for a production,—and I do not know which one you have in mind—you have to relate the number to the size of the production involved. Generally, a local, private station does not go in for any large drama or variety shows, and of course we do a great number of these. In such a case the number of personnel involved is much greater irrespective of union requirements, but we have this added factor of the union realities. We have a number of unions working together on the floor of the studio, and there are jurisdictional problems which we have pretty well inherited from the American networks, who have had them before us. For example, it is not possible for us to use a cameraman to move some of the scenery, even if at that particular moment he might be free. That is work which has to be given to another group. There are those problems and difficulties.

Mr. SMITH (*Calgary South*): From your answer I take it that you do not want to excuse the total number of personnel as a matter of union problems and you have suggested that, perhaps, an independent station would not carry out a production of the same magnitude as does the corporation. This, of course, is appreciated, but you have a number of quiz programs and I think you will agree for the most part they do not require a great deal of production in terms of set movements and so on. What about these? During such programs is there not, to a large degree, a number of people wandering around the set somewhat supernumerary to the requirements of the producer and other people?

Mr. OUMET: Definitely not. If there were, and if we knew about these people, we would eliminate the practice immediately. There is another factor involved and that is the quality and the degree of attention which must be given to network programs, and there I think you should compare the C.B.C. with other network producers of similar importance in the world. In that respect you should not compare the C.B.C. with a private station, doing a simpler program which might be good enough for local purposes but which would not be good enough for network quality. If we did not keep up that standard of quality we would soon hear about it and suffer from it.



Mr. SMITH (*Calgary South*): I think this might become to a large degree a matter of opinion. I do not think you want to suggest that a local program could never meet the requirements of network operations by the corporation?

Mr. OUMET: We have been most anxious to get our affiliates, who are all privately owned, to produce programs for our networks. As a matter of fact, very frequently over the years we have offered to pay for the expenditures involved on such programs but I believe we have only had one station which has fed our network on a more or less regular basis.

Mr. FISHER: It might be well worthwhile hearing about that. Which one is it?

Mr. OUMET: This is the Quebec station.

Mr. SMITH (*Calgary South*): You do not suppose, Mr. Oumet, there might have been other complicating factors which might have prevented the other stations from contributing?

Mr. OUMET: Frankly, I do not think they have had the interest to develop this type of show for our networks, and, if they had, they have failed to let us know.

Mr. SMITH (*Calgary South*): You are not suggesting that they just are not good enough?

Mr. OUMET: I am not suggesting they are not good enough but I have not seen all the programs of the private stations.

Mr. SMITH (*Calgary South*): Have you ever thought it would be of any advantage in having a form of analysis or examination made of station personnel requirements? I gather you have one on salaries, in so far as certain groups of executive personnel are concerned, but is there any form of business organization which could make an assessment to determine whether or not you are efficiently operating the corporation in terms of employment numbers?

Mr. OUMET: I certainly believe that such a study could be made, but it is my opinion that the expense involved would not yield the savings that you think might come out of it. A very thorough study of the corporation was made by the Fowler commission, as you will remember, and they had a number of consultants employed on it. I believe there were four of the accounting staff of P. S. Ross, who examined all the operations of the corporation in 1955 or 1956. As a matter of fact, I think it was 1956 and, if you read of the report of the commission at that time, you will find that while they did suggest certain areas for improvement, there was no criticism on the basis of the amount of staff.

Mr. SMITH (*Calgary South*): What was the date of that report?

Mr. OUMET: 1957.

Mr. McGRATH: What control does executive management have on staff increases within the corporation at every level?

Mr. OUMET: We have excellent control. As a matter of fact, every month any change in the staff of the corporation is reported to the finance committee of the board and, before it is reported to the board, it has been reported to me and has gone through a number of steps.

Mr. McGRATH: If a division or a department wants to increase its staff and change its establishment, what is the procedure?

Mr. OUMET: May I ask Mr. Carter to answer that.

Mr. M. CARTER (*Vice President, Administration, Canadian Broadcasting Corporation*): May I state first that when the budgets and estimates are prepared at the beginning of each year, a complete review is made of the estimates and forecasts for each area of operations. The vice president of engineering and operations reviews the additional staff demands, compares

them with those of other locations to determine from a comparison if the demands seem to be legitimate from the point of view of output in the area concerned. These requests are also examined by administration and personnel and then tentative provision is made in the budget. When those positions are actually required a recommendation is submitted to the general manager of the division concerned. Operations again assesses the need and, with the concurrence of operations, the recommendation is submitted to management for the addition of the positions to the establishment. That is pre-control before the positions are approved.

Mr. McGRATH: Could you break this down a little further on a regional basis? For the purposes of my information, would each region operate as an autonomous unit in this regard? In other words, would the requirements of that region be subjected to the scrutiny and approval of the regional director?

Mr. CARTER: Definitely. The recommendations that come to head office are initiated by the director of the region concerned and the procedure is the same from there.

Mr. SMITH (*Simcoe North*): I believe that has answered most of the questions I wished to put, but I have one last question on the matter. Is there no one in the personnel services who audits the personnel requirements of the corporation, over and above the original people who are involved in the operation of the station concerned? Let me put it this way, is there a time study group or anything comparable to the group in the civil service which is called the method study group? Do you have anything like that?

Mr. OUMET: We have a group doing this and Mr. Carter can give us the additional details.

Mr. CARTER: We have regular reviews made of all operations. We have a management audit program which was instituted in late 1959, at the direction of the president and, in the initial stages of the development of this program, the activities of management audit were concentrated on the centres in Montreal and Toronto and in the Ottawa area. The resident staff is located in Montreal and Toronto. That staff carries out a systematic review of administration and its studies cover areas of responsibility, organizational structure, lines of responsibility and delegation of authority. The officers in charge are also consulted on the adequacy of management procedures and administration practices and on the advisability and merits of changes that may be required. Their recommendations are made to the officer in charge and there may be a follow-up report through the management line to the general managers. In addition, the management audit group will assist officers in charge upon request in the assessment of particular procedures or sections of organization in their areas.

Now, on the recommendation of management audit it may often be the case that they will suggest that a review of the procedures involved be made and, in those cases, we have the assistance of the group at head office in management services who will be called in to review, as you suggest in your question, the procedures or the operations and may make recommendations for more efficient operations. In addition to that, on the operations side there is a continuous evaluation going on of the operations on the technical side in the general program field, in design and staging, in film operations and also in purchasing and stores. Those are areas which come under the vice-president of engineering and operations and there are corporation supervisors who are charged with carrying out a continuing evaluation of those operations, who report on any modifications that are required.

Mr. SMITH (*Simcoe North*): Does that group ever make a report on a program, such as, one which is a favourite of mine, "Red River Jamboree", to see if there are too many people employed on this production?



Mr. OUIMET: That would be the operating group to which Mr. Carter has just referred. Actually, we have three groups of what you might call auditors and assessors. We have, of course, a financial audit and we have a management audit which deals with problems of authority, organization and personnel, at the administrative level, and we have an operating audit which takes place at the operations level.

Mr. SMITH (*Simcoe North*): I am only questioning as to personnel and not as to how much they are paid.

Mr. OUIMET: Actually this has to do with whether or not the personnel is used efficiently in the operations. I think we have developed a very adequate and competent system of assessment in these various areas, and this is why I was answering Mr. Smith in the way I did a little while ago.

Mr. SMITH (*Calgary South*): These are your own people within the company who carry out this assessment?

Mr. OUIMET: They are people whose jobs it is to make an independent survey for the benefit of management. So, in a way, they are consultants to the corporation but, because it is a continuous process, I think it is a more economical way of doing it without resorting to someone outside, although mind you, we have done that on more than one occasion.

Mr. SMITH (*Calgary South*): Who is the head officer in charge of that particular work?

Mr. OUIMET: Mr. Carter is vice-president of administration and the management audit reports under him but the operations audit will be under the vice-president of engineering and operations.

Mr. SMITH (*Calgary South*): Without reflecting on the people who carry out this work, do you think you obtain the same efficiency and, therefore of course, savings by people who are contained within the corporation as you would with people who would be independent of the corporation? It makes no difference?

Mr. OUIMET: I think we get more out of our own people, for the reason that they know a lot more about our operations. And there is no long period of training such as is required for outside consultants in disentangling what is involved in broadcasting. I would not answer quite the same way if this were an ordinary industry, similar to other industries and where you can use outside consultants to great advantage.

Mr. SMITH (*Calgary South*): You are saying that there are no people in this field who have experience of the work you do?

Mr. OUIMET: There are no people experienced in broadcasting in the consulting business, at least that we know of.

Mr. M. J. A. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): I wish to come back to the point developed by Mr. Smith of Calgary South some time ago in relation to the facilities of private stations which are not being used by the corporation. Is there a concerted effort made to use any facilities of private stations for some of these producing teams which periodically go across the country on program productions? For instance, I have a very vivid memory of one program which was to be from coast to coast. A team came into Edmonton and they used a free lance cameraman and what have you. They did not use the station. The program was poorly done and the whole expenditure for that visit to Edmonton went down the drain because the program was technically not up to standard.

Mr. OUIMET: You know more about this instance than I do. I would have difficulty in replying to that.



Mr. LAMBERT: I am asking, is it your policy that you will not use the facilities, the studios and cameras of local stations?

Mr. OUIMET: No, it is definitely not a policy but, in terms of practical necessity, over the years we have had to develop our own crews and, because we have had to do so much of this sort of thing, having our own crews there is a tendency to use them even if there could be someone else available at that moment for a particular show. We have our own crews and, like any other business, we have to keep them as busy as we can. In radio, where production problems are more simple, we have had quite a lot of programs done on a systematic basis through our affiliates, but in television there has been very much less because of the greater problems. However, it has not been a matter of policy.

Mr. CHOWN: I was going to ask Mr. Ouimet if, at any time, the board of directors, or the minister to whom you report, or the auditor general within, perhaps, narrower terms of reference had recommended that outside consultants be retained to examine, as I say, a smaller, narrower area of operations of the corporation? Has that happened from the last date you gave us, 1956, to the present time?

Mr. OUIMET: So far as the board of directors are concerned, obviously in that case they do not recommend. We simply decide that something should be done and there have been no decisions to have outside consultants. The matter, however, has been considered and discussed at quite some length, but for the moment it has been decided not to have outside consultants because we have just had a fairly recent reorganization of the corporation and we feel—I am speaking for the board—that another reorganization at this time is certainly not warranted on the basis of the results we are getting. We shall look at this again in six months or in a year's time and decide if some such thing is needed. Of course, you know the Glassco commission is also looking into our operations at the moment.

Mr. CHOWN: I was going to ask a supplementary question, whether you consider yourself, as you obviously do, within the terms of reference of the Glassco commission and you have answered the question in the affirmative. Now, you spoke of the board of directors but what about the other two I mentioned, the Auditor General and the minister to whom you report? Have they made such recommendations?

Mr. OUIMET: No, the minister, I think, would not get involved in this sort of thing. However, I believe the Auditor General, in a memo to the board, has put the question forward. I do not remember whether it was a recommendation or whether if he was asking if it would be a good thing to have consultants.

Mr. CHOWN: Would it be possible for you to make that available to the committee—the recommendation made by the Auditor General? Could you be more specific as to what his recommendation was?

Mr. OUIMET: I believe it had to do with the area of finance organization. I think there was some question in the auditor general's mind as to the location of finance in the overall set-up which we had until recently, but this matter has been taken care of now. For a while we had finance and administration combined together under one vice president of administration and finance, and the Auditor General felt quite strongly that these two should be separated.

Mr. CHOWN: So he felt that what you were doing, that your system of combining these two, was wrong and suggested that if you did not agree with his opinion you should retain outside consultants to pass judgment?

Mr. OUIMET: No, not exactly, but nevertheless we have separated the two.

Mr. CHOWN: I would be interested in the subcommittee giving consideration to the tabling of the Auditor General's recommendation.

The CHAIRMAN: I think you will have to ask the Auditor General that. It is his recommendation.

Mr. CHOWN: We can call him as a witness if necessary. In connection with personnel, I want to ask about overtime. This stems from what Mr. Smith said about the feelings of people when they go into a station and see a lot of people standing around in the wings and apparently not working. That is all right if they are receiving their regular salary or wages but I am interested in the question of the continuity in the production of a show, whether it has to be a one push, continuous effort, leading to excessive overtime, and I should like some figures outlining the hours of overtime and the costs of overtime in your various production centres.

Mr. OUIMET: The cost of overtime is about 7 per cent. That is a rough figure. It is not 9 per cent or 6 per cent. In our business we have to deal with productions which may require considerably more rehearsal and attention than could be provided by any one shift of employees, and so we necessarily run into overtime because we want to get the maximum usage of our studios and it would be absolutely impossible to change shifts and start with new crews. Therefore, we have to keep on some crews, even if it costs overtime. It is cheaper to do it that way. It is the only way we can do it. Furthermore, we have seven-day operations and all our union agreements provide for the payment of special rates, overtime premiums, turn around payments and so on, which all mean extra payment, and they are all lumped under the category of overtime.

Mr. CHOWN: This percentage you gave, 6 per cent to 9 per cent—

Mr. OUIMET: I said 7 per cent of the salaries.

Mr. CHOWN: The overall salaries figure?

Mr. HORNER (*Acadia*): For radio and television?

Mr. OUIMET: Everything.

Mr. CHOWN: Is there a systematic close check on this overtime, and is it written into the budget of a production as a separate item?

Mr. OUIMET: There is a very definite system of close checks, and I will ask Mr. Carter to explain it.

Mr. CARTER: Monthly overtime reports are submitted to operations. These matters are reviewed by operations every month and this is one factor which comes into the assessment of needs for additional positions. But, whatever we do, we can never wipe out overtime completely because, as Mr. Ouimet has mentioned, we work seven day operations and where there is a holiday we have to operate just the same as an ordinary day. In such cases as holidays, under our collective agreements, we have to pay overtime for that work.

Mr. CHOWN: In these collective agreements how do you stack up with private industry, in the amount you pay? Is it double time, time and a half, or what?

Mr. CARTER: We have no double time. Time and a half is the maximum overtime we pay.

Mr. CHOWN: Following up on this overtime, is it controlled to a greater extent in radio, perhaps even more so than in television?

Mr. OUIMET: Yes, there is less need for it in radio; but in television, in certain of the areas like the technical crews, for example, the overtime is considerable, simply because we must maintain the same crews on a set while there are rehearsals going on from the start of production of the show, to the



very finish of the production; and if it is a Sunday or a holiday then we have to pay more. That is one of the realities of broadcasting. That seven per cent, while we are not absolutely satisfied it, is just the best we can do, it is a fairly constant factor.

Mr. CHOWN: Have you statistics on a comparable basis with other national networks, such as in the United States?

Mr. OUMET: To tell you frankly, our overtime provisions are different. In the United States they have different kinds of contracts. They have more rigid overtime provisions than we have; we have more flexibility than they.

Mr. CHOWN: I want now to ask about your stars and performers.

Mr. McGRATH: May we proceed first with the business of overtime and the unions?

Mr. CHOWN: But this is part of personnel and all I want to ask is one very simple question. When you retain a star or stars for a particular production do you retain them on a time basis or on a fixed contract basis? In other words, do they get an overall payment regardless of the hours they work on that particular production?

Mr. OUMET: It all depends. We use both systems.

Mr. CHOWN: I can follow up on that later, Mr. Chairman.

Mr. HORNER (*Acadia*): I have a question still dealing with personnel—

The CHAIRMAN: Miss Aitken is ahead of you.

Mr. McGRATH: My question is on overtime and the unions.

The CHAIRMAN: Miss Aitken has been waiting for some time.

Miss AITKEN: During the period from 1959 to 1960 there was not much change in staff and yet production costs were about \$3 million as between 1959 and 1960. I want to know what goes into your programming costs?

The CHAIRMAN: I suggest we leave that until we get into finance.

Mr. FISHER: Mr. Ouimet, another crown corporation head comes before another committee of the house—I think this is fair and I do not want to put words into his mouth—but he has insisted that the theory of Mr. Smith about featherbedding was a very difficult factor in the C.N.R. In addition, the private corporation which is left in the railways field has had similar statements made about it by Mr. Crump. This is something which intrigues me. You have not gone so far and I wonder what sort of liaison or relations have you with the various unions? Have they an integrated committee themselves of liaison which deals with the problem of redundancy and overlapping?

Mr. OUMET: May I ask Mr. Carter to answer that?

Mr. CARTER: In all our collective bargaining agreements we have arrangements for grievance procedures and, although the grievances are usually raised by the union, the corporation would have the same right to raise a grievance if they felt they had one. With regard to featherbedding in the sense which I think you used, that the unions force us to have employees standing by doing absolutely nothing, we have none of that. We have jurisdictional lines which we have to observe and sometimes this involves a problem in not being able to do something within the jurisdiction of another union. However, we do not have to have people standing by, under the terms of our contracts.

Mr. FISHER: There is no council of broadcasting unions in Canada?

Mr. CARTER: There was a council of broadcasting unions at one time. This was a council where the unions got together to discuss their mutual problems, but it is within the union area solely. May I add one further thing? The bargaining unions, so far as the corporation is concerned, were defined by the labour board.



Mr. FISHER: Could you give me any indication as to how successful these unions have been in organizing within the private sector of broadcasting?

Mr. HORNER (*Acadia*): That is not relevant.

Mr. FISHER: I think it is relevant.

Mr. CARTER: I would not like to get involved in that. I may just say they have organized a good number of radio stations and are active in television stations.

Mr. FISHER: I should like to suggest that the steering committee consider bringing the union heads before this committee. There is an aspect of the C.B.C. problem that the unions may be able to give us information on, that is the whole question of jurisdiction as applied to employees of the corporation. We have no control over them but I think we should have their views.

Mr. HORNER (*Acadia*): Are you suggesting that maybe the unions control a certain portion of the C.B.C.?

Mr. FISHER: I am not suggesting anything of the kind.

Mr. HORNER (*Acadia*): I was just wondering.

Mr. SMITH (*Calgary South*): I think there is nothing wrong with this suggestion that it should be put to the steering committee. With regard to Mr. Ouimet's answer about originating programs on the part of affiliates, I want to give notice that I shall require some information on what I think, in my terms, is the scale of the subsidies which affiliates receive from the C.B.C., in the sense of the return that affiliates get from carrying C.B.C. programs. The advantage which the affiliates get from these programs seems to suggest subsidizing private entrepreneurs in a considerable way.

Mr. SMITH (*Simcoe North*): Those figures would be most revealing.

Mr. OUIMET: We are prepared to deal with this under commercial operations.

Mr. SMITH (*Calgary South*): Mr. Ouimet has just pointed out that the unions raise most of the grievances which are discussed in bargaining with a corporation and he also pointed out that the corporation has the right to raise grievances itself. Now, you have indicated to me that part of your problem in so far as personnel is concerned has been that of the unions in that, quite obviously, because of union contracts additional personnel would be required. Has this been raised as a grievance with the unions, in terms of the additional personnel that are required?

Mr. CARTER: In negotiations these questions are taken up but we must remember that basically the lines of jurisdiction have been decided by the labour board when they entertained the requests of the employees to be certified.

Mr. McGRATH: Do the unions initiate requests for additional jobs or additional requirements in any of the establishments?

Mr. CARTER: On occasions, yes.

Mr. McGRATH: This may be hypothetical, and again it may already have been answered. In effect, what control do the unions have on the size of the personnel of the corporation? For example, if in the interests of economy it was decided to reduce the staff of the corporation, would you have a strike on your hands?

Mr. CARTER: Not necessarily. There are procedures by which we can get together with the unions to discuss our problems, and in some of our smaller locations we have been successful in getting them to accept that an employee in a bargaining unit can perform two functions within that bargaining unit.

Mr. OUIMET: May I supplement the answer Mr. Carter gave to Mr. Smith? Mr. Smith, you were referring to our staff problems. You said part of our staff problem is this or that, but I do not think we have a staff problem. Of course we have to deal with a number of unions and, at times, we do have problems with them like any other employer has with staff, but I do not think there is a staff problem as such, as far as we are concerned.

Mr. SMITH (*Calgary South*): I am sorry if I used improper language. I asked you earlier if the union requirement is a factor in determining the total number of personnel and I think your reply was that the unions laid down requirements about what work was to be done by certain personnel. You inferred that this might well be a factor and I asked had this been raised with the unions, but I received no reply.

Mr. HORNER (*Acadia*): My question stems from the tabular statement filed this morning regarding the number of employees and their lines of work. These are all permanent employees, I presume?

Mr. CARTER: Regular employees.

Mr. OUIMET: We call them "regular". We have no permanent employees in the sense that the word is used in the civil service.

Mr. HORNER (*Acadia*): But they spend practically all their working time working for the C.B.C.?

Mr. OUIMET: They are full-time employees.

Mr. HORNER (*Acadia*): How many professional artists were, more or less, provided with full-time employment by the corporation, in television, for any given year—1961 or 1960? How many of these have had recurring appearances with the C.B.C.? I could think of so many but, for instance, I will mention one, Blair Fraser, the so-called expert on women and wine.

Mr. FISHER: What about song?

Mr. HORNER (*Acadia*): What I want to know is how many of these people have recurring engagements of, say, approximately 15 or 20 times a year, and the total amount paid to these people?

Mr. OUIMET: May I answer from memory on this point? And, with your permission, Mr. Chairman, I should like to complete the answer when we come to the item on talent. I believe that we engage 19,000 performers of various kinds. That is for the year 1959-60, and includes commentators.

Mr. SMITH (*Calgary South*): Is Jack Pickersgill included as a performer?

Mr. PICKERSGILL: I am not for sale.

Mr. SMITH (*Calgary South*): That is open to question.

Mr. OUIMET: This would include only those who got paid and the total number of performances by this group of 19,000 amounted to 99,000.

Mr. HORNER (*Acadia*): Could this information be provided in tabular form? I do not want the names of the persons, but how many in a certain group have had over 15 appearances, and how many over 25 appearances? What I am getting at is there may be 15,000 of these employees who have had more than 15 appearances with the C.B.C. and with the amount they are getting they could be practically fulltime employees. On the other hand, there may be only 2,000 but I should like some sort of idea as to how many are involved, how many are drawing full-time wages from the C.B.C.?

The CHAIRMAN: You understand that will take some time?

Mr. HORNER (*Acadia*): I am only putting the question now.



Mr. OUMET: To answer that would require the examination of 19,000 record cards and the compilation of how many of those people appeared seven, eight or ten times.

The CHAIRMAN: I wonder if you could get together with Mr. Ouimet on this after the meeting?

Mr. PICKERSGILL: I do not think the compilation of this kind of information is going to save the taxpayer's money. I think it is wasting the time of electrical computers to provide it.

Mr. SMITH (*Simcoe North*): It seems to me that Mr. Fraser does not appear on the C.B.C. quite so often as those who do not agree with him think he does.

Mr. HORNER (*Acadia*): That is just an impression. If you will remember, when I asked the corporation for information I said was tabled in the 1959 report I got more or less the same answer but finally they produced it. I think it is information which the committee should have and I ask for a breakdown of those 19,000 employees, stating how many appeared over ten times and how many appeared over 25 times. Taking into consideration the fact that the corporation employs 7,000 people on a regular basis, the information I seek may show that there are another 7,000 who are earning their living from the C.B.C. If this is so, it is a fact that should be revealed.

The CHAIRMAN: We shall take it up in subcommittee.

Mr. MCCLEAVE: Perhaps the C.B.C. could hire some extra employees to compile this information.

Mr. PICKERSGILL: A winter works project.

Mr. SMITH (*Calgary South*): I wonder if you could tell us, without going into any research, about this? You have a fairly substantial staff of engineers and architects. These are people, I assume, who are employed in design for your new plants and new units.

Mr. OUMET: They are employed both on the design of new units and on the maintenance of existing units. And of course, the engineers are also employed in connection with the technical problem of the operation of the whole system.

Mr. SMITH (*Calgary South*): I understand that of course. I am concerned only with engineers in terms of physical properties. May I ask whether or not—I have not any relevant figures with which to make comparisons but it seems to me that you could just give me a percent of, let us say, the total number, that is, to show the percentage increase.

Mr. OUMET: Yes, we could do that quite easily.

Mr. SMITH (*Calgary South*): I wonder if you could tell me if the free-lancers you are using abroad are contained in any available figures not requiring great research?

Mr. OUMET: I do not have those figures with me, and I do not think I can quote them from memory. There is a large number, because, our new service is, in great part, made up from free-lancers who submit some coverage and some events, and the number of these people would require some research.

Mr. SMITH (*Calgary South*): What I am interested in finding out is the number of personnel, and some figures of ultimate costs, which I am sure would not require a great deal of work. I mean in connection with those people you are sending abroad, and those you retain abroad for C.B.C. services. You must have an estimate of the total number, or some related



cost figure, which you could give the committee to show these people you send abroad to perform news service functions, and perhaps other television shows?

Mr. OUIMET: I thought you were thinking of free-lancers already abroad serving us.

Mr. SMITH (*Calgary South*): That was the first question I asked. You are quite right.

Mr. OUIMET: You want the number of free-lancers who might be sent abroad in the course of a year?

Mr. SMITH (*Calgary South*): No, who have been sent abroad?

Mr. OUIMET: I think we can provide it.

Mr. SMITH (*Calgary South*): That would not require any great effort.

Mr. OUIMET: We have the answer for engineers and architects.

Mr. SMITH (*Calgary South*): May I have it, then?

Mr. OUIMET: In 1959 there were 87 engineers and architects, while in 1960 there were 90.

Mr. SMITH (*Calgary South*): Engineers and architects?

Mr. PRATT: Both together?

Mr. OUIMET: Yes, together. By the way, Mr. Pratt, I know you will be pleased to hear that they are both together in the same division of the corporation, and that they work very harmoniously together.

Mr. PRATT: That is an improvement!

Mr. CHOWN: Following Mr. Horner's question, I think this is a matter of finance, and that it should be looked at by the subcommittee at the same time we are looking at Mr. Horner's request. I would be very interested, and I am sure the committee and the public would be very interested, in knowing how much these outside performers receive by way of income from the corporation in the course of a year.

Again we are getting into a complex research problem, but the two seem to hang together. I would like to know how many earn \$5,000; how many earn between \$8,000 and \$10,000; and how many earn between \$10,000 and \$12,000.

I am sure there are persons who probably earn a great deal more than management in the course of a particular year. But I would like to know how many over \$2,000 and you may go up through the people who earn over \$20,000 a year from the corporation? Or you may tell us the number of people who are earning over \$20,000 from the corporation, and who are not on the staff, and over \$18,000, and over \$16,000, and over \$14,000. You can go down the other way.

Mr. FISHER: I am interested in this information, but I wonder why Mr. Chown wants it.

Mr. CHOWN: I think the public are interested in knowing whether these people are necessary at that cost, to give the quality of performance that they are receiving from the C.B.C.

Mr. McGRATH: You could not release their names.

Mr. CHOWN: I do not care about their names. I want the figures.

The CHAIRMAN: Would this be possible, at all?

Mr. OUIMET: I think it would be possible to work out something which would satisfy Mr. Chown. We will have to look it up and perhaps report back to you about it.

Mr. CHOWN: There may be someone who is earning over \$35,000 a year from the C.B.C. That may sound like an awfully high figure. I do not know. Perhaps it is a fact. I do not know what Shirley Harmer gets paid.

Mr. SMITH (*Calgary South*): You are back in the early days of television.

Mr. OUMET: Just in case I do not have a chance to answer again on this matter, let me say that when a star is at the peak of his or her career, the amount may be very large, while the next year, the star may not be there.

Mr. FISHER: That is the case in politics too.

Mr. CHOWN: I know.

Mr. HORNER (*Acadia*): Some of the gentlemen who did not get paid enough are not going to run again.

Mr. FISHER: That is right.

Mr. CHOWN: This hits a tender spot. It is a mutual problem right around the table.

Mr. McGRATH: Mr. Chairman, I move we adjourn.

Mr. HORNER (*Acadia*): Mr. Chairman, I have another question. There is still a quarter of an hour to go, and we farmers like to work right to the limit. We are not like members of a labour union.

The CHAIRMAN: Order, please!

Mr. HORNER (*Acadia*): I have a question under personnel. I would like to know about salaries. Sometime ago there was a publicity story to the effect that Miss Anna Cameron, who was hostess on a half-hour women's show stated that she was paid \$12,000 a year for her services. I mentioned this particular name because this story received some publicity.

Some people might think this quite a lot, while others would not think it was too much. Actually, in comparison to the amount of work that would have to go into a half-hour show, and the amount of work on some half-hour shows that we see around here, I just wondered about it. I am not asking you to confirm this story or not, but is this a real listing of the amount of salary paid to a hostess for such a show as I have suggested?

Mr. OUMET: May I answer you this way; that we pay our stars whatever their role might be—some of them might be in the role of a master of ceremonies, others might be singers, others might be musicians—but we pay them what the supply and demand will require.

Mr. HORNER (*Acadia*): That does not answer my question. I asked if this is a real amount to expect that would be paid?

Mr. OUMET: Yes.

Mr. HORNER (*Acadia*): I am not asking you to confirm or deny it, but would this be a realistic amount for such a person on such a show to receive?

Mr. OUMET: Without checking, I would say it was a realistic amount.

Mr. CHOWN: Should you ever need a cowboy star for your serials, you can give Mr. Horner the job.

Mr. FISHER: Or for a discussion of farm implement costs.

The CHAIRMAN: Are there any further questions on personnel, personnel policy, and employment procedures?

Mr. McCLEAVE: The other day Mr. Oumet mentioned the proportion of staff as between the B.B.C. and the C.B.C. Could he perhaps tell us which areas account for the rather great difference on the side of the B.B.C.? Is it in foreign language broadcasting, or where is it?

Mr. OUMET: There is definitely on the overseas service of the B.B.C. a much larger staff, because they do a much bigger job than we do. Their overseas service is many times the size of our international service. But if you compare their television service with ours, their staff in television, according to their year book in 1960, was 9,000 while our staff in television—which we have not got separated exactly—we have about 3,000; to be specific we have 3,525 assigned to television, and I would say that 60 to 70 per cent of the integrated staff—not the radio staff—would also be chargeable to television.

So I might say that we have a staff of 5,000 in television. But that again is for two complete networks, with much more coverage in terms of total production. Our production is certainly double, if not more than that, of the B.B.C.

Mr. McCLEAVE: Does the 9,000 figure you mentioned include both the radio and television operations?

Mr. OUMET: No. This is purely for the television operation of the B.B.C.

Mr. McCLEAVE: And this would be actually in the English language, because television is not beamed abroad.

Mr. OUMET: No. That would be a purely national service of the B.B.C. in English. They have no French language, as we have, and their number of stations is much less than ours.

Mr. McCLEAVE: I wonder if Mr. Ouimet, or someone, could break these comparative figures down into rough categories for our possible guidance?

Mr. OUMET: I believe we can do something in that direction. Of course, some of the information we would have to get from the B.B.C.

Mr. SMITH (*Calgary South*): On a point of order, you were reading separate headings rather quickly. It occurred to me that after we finish our questioning, if there are no more questions, we should not pass on to any other heading because we have received a number of charts which the committee has not had an opportunity to study. Therefore I hope that the heading "personnel" will be kept opened for the next meeting.

Mrs. CASSELMAN: I am sorry that I was called out when I may have missed a good deal. So if this is repetition please excuse me.

I just caught the tail end of Mr. Horner's question. And following along that line, I am rather interested in the need for possibly more research groups. I understand that a lot of this work is done by research groups. We members of parliament do not have such research groups, and neither do newspaper men. May I ask why this is necessary?

Mr. OUMET: We have two research groups. One we do not call a research group. We call it transmission development. It is the one on the technical side. Then we have research and statistics. This is a group on the program side, which does program research and audience reaction research.

And then, on individual programs, of course, when you are planning a program, such as a documentary on Africa, or something like that, there is a lot of research to be done on that particular job. This research work is done in connection with the program itself by the program planners themselves, or with whatever help they may require. We have not got a special group for it.

Mrs. CASSELMAN: It is quite possible for one of the very high salaried people to have all his background work done for him.

Mr. OUMET: No. Generally speaking, I would say no. The C.B.C. does provide a great deal of information, of course, to its performers.

Mrs. CASSELMAN: That is exactly what I mean.

Mr. OUMET: I see.



Mrs. CASSELMAN: No other group in society gets that kind of assistance. I think a person getting \$12,000 a year should be able to do his own research.

Mr. OUMET: Let me make sure there is no misunderstanding here, as to anybody for whom we do research. Obviously, when a master of ceremonies has to deal with a number of items which come up in the program, and if he is not the planner in the first place, then he must be told, if he is going to say the right thing. In other words, he cannot improvise. He is a performer, and as a performer he must be given a script. And very often this is actually what happens. It is a script.

Mrs. CASSELMAN: What you are saying is that some of these very highly paid personalities are just handed a script, and that is all the work they have to do.

Mr. OUMET: If that is what you are speaking of, I would say that you must know just what area you are speaking of.

Mr. SMITH (*Simcoe North*): Is it not a fact that in the magazine business such as *Newsweek* or *Maclean's*, research staffs are provided and used extensively to check the accuracy of the contents of their articles and productions?

Mr. OUMET: Yes, it is an absolute necessity.

Mr. SMITH (*Simcoe North*): Would not a research staff of the C.B.C. have to provide exactly the same function?

Mr. OUMET: We have a problem in semantics here. We have no such research staff as a group. But in each program category—for instance if we are doing a children's program, there is someone in the children's program department who will do research in connection with that department's program; or if it is something like Open House, or some series requiring a master of ceremonies, research would be done by the C.B.C. and provided to the performers. I do not think there is any problem there, Mrs. Casselman.

Mrs. CASSELMAN: In a show such as *Tabloid*, for instance, would there be any such research in that type of show?

Mr. OUMET: We could probably answer this question better when we come to discuss programming. But speaking from my own knowledge of it, I think it is true to say that a great deal—or rather most of the planning and research work is done by the producer, while the others are there as performers. They will follow the routine in the script. But in certain cases, mind you, such as in the case of an interview, if Percy Saltzman, or someone else interviews a visitor, I think in that case the questions are probably his, entirely. I do not think it would be the C.B.C. They would not get involved in that.

Mr. CHOWN: You mean that Percy Saltzman would research his own interviews in order to prepare himself to ask intelligent questions.

Mr. OUMET: Perhaps I had better ask Capt. Briggs to deal with this question.

Capt. W. E. S. BRIGGS (*Vice President*): Perhaps I might give you a concrete example, not using *Tabloid*, but *Gazette* which happens to be the maritime counterpart. There was a man engaged by contract. He was paid so much per year. It was his responsibility to produce the people who were going to appear on this program.

In consultation with our own producers, he would hear of people, and he would hear of subjects that he thought would be of interest. He would do all the research on it, subject to our control. That was a completely full-time job.

It may sound silly. It may not sound difficult, but if you take a half-hour program such as that, and if it is going to be a good show on a continuing basis day after day, I can assure you that it would take a man who would come in regularly—let us say around 10 o'clock every morning, and work through, with a break for mealtimes, until the show was over, which is frequently 7.30 at night. He would be paid a fat—oh, I should have said "flat" fee. This is usually a very relative term and in comparison to the figure of \$35,000 which someone suggested, this would appear to be sliced awfully thin!

The CHAIRMAN: There is the bell to attend in the house. The committee now stands adjourned.

The committee adjourned.

## APPENDIX A

STAFF STATISTICS, SALARIES AND RELATED EXPENDITURES COMPARED WITH OPERATING EXPENDITURES—1959-60  
(In thousands of dollars)

Location	Radio and Integrated Services			Television			Total		Operating Expenditure  (Net of Depreciation, Payments to Pvt. Stns. and Commissions)
	No. of Employees	Salaries and Related Expenditures		No. of Employees	Salaries and Related Expenditures		No. of Employees	Salaries and Related Expenditures	
		\$			\$			\$	
Head office.....	404	2,228	—	—	—	—	404	2,228	4,290
National Engineering HQ.....	229	1,287	—	—	—	—	229	1,287	1,051
Northern and Armed Forces Services.....	35	212	—	—	—	—	35	212	491
Newfoundland.....	87	483	16	39	39	103	777	522	777
Maritimes.....	209	1,015	196	954	954	405	1,969	1,969	3,259
Quebec.....	965	4,665	1,401	7,072	7,072	2,366	11,737	11,737	26,038
Ontario.....	1,011	5,416	1,509	7,464	7,464	2,520	12,880	12,880	34,914
Prairies.....	292	1,436	205	990	990	497	2,426	2,426	4,638
British Columbia.....	214	1,013	198	1,092	1,092	412	2,105	2,105	3,973
Foreign Offices.....	14	146	—	—	—	14	146	146	288
Sub-Total.....	3,460	17,901	3,525	17,611	17,611	6,985	35,512	35,512	79,719
International Service.....	168	1,015	—	—	—	168	1,015	1,015	2,315
Total.....	3,628	18,916	3,525	17,611	17,611	7,153	36,527	36,527	82,034

Accounting Department,  
May 3rd, 1961.



# STAFF DISTRIBUTION RADIO AND INTEGRATED SERVICES

DATE March 31, 1960

APPENDIX B

	Head Office - Ottawa	National Engineering	NEWFOUNDLAND	MARITIMES	QUEBEC	ONTARIO	PRAIRIES	B.C.	Foreign Office	N. & A. F. Services	Sub-Total	TOTAL												
	St. John's	Comox Brook	Charlottetown	Halifax	Sackville	Sydney	Moncton	Montreal	Quebec	Chicoutimi	Toronto	Ottawa	Windsor	Edmonton	Edmonton	Regina	Vancouver	Prince Rupert						
<b>EXECUTIVE</b>																								
Executive	8										1													
Divisional & Regional Officers	11	3	1								2			3							2	11		
Senior Officers	13		1	1	1	2	1	1	3	1	1	1	1	1	1	1	1	1			5	26		
Junior Senior Staff	9								4			1	1	1								35		
Senior Secretarial Staff	11								1			7										17		
Reference Library									7			6										18		
Junior Administrative & Clerical Staff	29					1	1	1	4	1		4	1	3				2	1		3	51		
	81	3	1	1	1	1	5	1	2	2	21	2	1	21	3	1	6	1	5	2	10	172		
<b>PROGRAM</b>																								
Program Directors & Supervisors																								
Producers and Organizers																								
Managers and Communicators																								
Newsroom Staff																								
Other Production Staff																								
Music Librarians & Clerks																								
Program Cleaners & Traffic																								
Production Services																								
Administrative and Clerical Staff																								
	27	7	6	6	61	5	10	238	9	4	267	33	7	82	13	11	71	6	14	22		899		
<b>ENGINEERING</b>																								
Engineering Supervisors	11																							
Engineers	51																							
Architects and Draftsmen	28																							
Technical Supervisors & Instructors	7																							
Technicians and Operators	8																							
Writers and Machinists	19																							
Purchasing and Stores Personnel	18																							
Program Cleaners and Traffic																								
Building and Studio Employees	1																							
Administrative and Clerical Staff	42																							
	185	17	1	2	1	27	9	6	7	129	11	9	211	35	9	81	11	9	51	2	3	816		
<b>AUDIENCE RESEARCH</b>																								
Supervisors and Department Heads	2																							
Specialists	17																							
Junior Administrative & Clerical Staff	20																							
	39																							
<b>COMMERCIAL</b>																								
Supervisors & Department Heads																								
Sales Representative & Assistants																								
Administrative and Clerical Staff																								
	3																							
<b>INFORMATION SERVICES</b>																								
Supervisors and Department Heads																								
Representatives, Editors & Writers																								
Information Bureau & Receptionists																								
Junior Administrative & Clerical Staff																								
	19																							
<b>STATION RELATIONS</b>																								
Supervisors																								
Junior Administrative & Clerical Staff																								
	7																							
<b>P &amp; A SERVICES</b>																								
Building Services																								
Department Heads, Managers & Reps.																								
Supervisors and Assistants																								
General Registry Employees																								
Receptionists, Seward & T-Type Operators																								
Junior Administrative & Clerical Staff																								
	126	11																						
<b>SYSTEMS AND PROCEDURES</b>																								
Supervisors																								
Analysts																								
Assistants																								
Administrative and Clerical																								
	28																							
<b>TREASURER'S</b>																								
Functional Supervisors & Reps.																								
Section Heads and Assistants																								
Junior Administrative and Clerical Staff																								
	104	30																						
<b>TOTAL</b>																								
	404	229	61	9	9	8	160	12	14	23	919	28	18	860	131	20	241	27	24	204	10	14	35	3460



## STAFF DISTRIBUTION

## APPENDIX B

DATE March 31, 1960

## TELEVISION

INTERNATIONAL  
SERVICE

Unemployed	Hallifax	Montréal	Ottawa	Toronto	Kingston	Calgary	Vancouver	Montreal	Sub-Total	TOTAL
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Montréal	Saskatoon	Ottawa	Toronto	Sub-Total	TOTAL
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## EXECUTIVE

Directors and Assistants	3	1	4	1	1	2	1	13	
Senior Administrative Staff	1	1	2	2	13	2	1	21	
Junior Administrative & Clerical Staff	1	1	6	3	4	2	1	18	
	4	3	12	6	18	6	3	52	

## EXECUTIVE

Regional Officers	2				
Administrative Officer	1				
Junior Administrative & Clerical Staff	2				
	5				

## PROGRAM

Program Directors and Assistants	2	3	1	9	2	1	18		
Supervising Producers and Producers	7	98	8	58	11	15	197		
Assessors	4						6		
Coordinating Producers & Prod. Ass'ts.	7	27	10	41	8	8	101		
Script Assistants	7	92	8	49	9	7	175		
Translation, Casting and Script		4	16				20		
Other Production Staff		13	4				17		
Program Clearance and Traffic		60	8				68		
Administrative and Clerical Staff	1	6	38	4	37	5	51		
	5	29	335	31	222	35	36	699	

## PROGRAM

Program Supervisors	2						2
Section Heads	16		2				18
Producers	13						14
Assessor Producers	42		1				42
Assessors							
Newsroom Staff	12						12
Policy Editors	2						2
Writers	8						8
Translators	6						6
Program and Research Assistants	1						1
Junior Administrative & Clerical Staff	28	1	1				30
	130	3	2				135

## FILE

Directors and Supervisors	2	4	1	9	1	1	18	
Editors and Assistants	16	48	8	85	9	14	182	
Captions and Photographers	1	4	11	4	10	5	39	
Production and Screening		4					4	
Presswork and Traffic		11					18	
Editors and Assistants	1	5	5	2	22	3	38	
Administrative and Clerical Staff	1	1	29	1	75	2	51	
	3	28	112	16	212	20	24	417

## INFORMATION SERVICES

Representatives and Assistants	2						2
Junior Administrative & Clerical Staff	5						5
	7						7

## TV NEWS

Editors-in-charge		4	1	5		1	11	
Editors		24	9	34		6	73	
Administrative and Clerical Staff		10		14		1	25	
		38	10	53		8	109	

## ENGINEERING

Engineering Supervisors and Assistants	2	1					3
Technicians and Operators	7						7
Mechanical Riggers	3						3
Storekeepers and Store Clerks	1						1
Building and Studio Employees	2						2
Junior Administrative & Clerical Staff	5						5
	7	14					21

## DESIGN AND STAGING

Directors and Assistants	2	5	1	3		1	12	
Functional Supervisors	1	17		15	-1	5	39	
Set Designers and Assistants	2	31		25	6	4	68	
Graphic Designers & Apprentices	5	28	4	26		5	68	
Scenic Artists, Painters and Helpers	3	35	2	36	3	3	82	
Carpenters and Helpers	3	49	41	4	4	4	101	
Propmen	1	3	29	5	45	5	92	
Stagehands & Staging Attendants	8	138	6	139	9	10	310	
Warehouse Attendants & Drivers	2	70			1		73	
Customers & Radio Employees	2	47		36	3	3	91	
Mak-up		19		9	4	3	37	
Administrative & Clerical Staff	1	48		31	2	1	83	
	1	32	516	20	406	38	43	1056

## TOTALS

149	14	3	2	168
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## RECAPITULATION

Radio and Integrated Services	3,460
International Service	168
Television	3,525

GRAND TOTAL 7,153

## ENGINEERING

Technical Directors and Assistants	2	1	1	1	2	1	2	10
Technical Supervisors and Assistants	6	9	5	13	5	3	5	46
Technical Producers and Inspectors	5	27	5	15	5	5	9	71
Technicians	3	59	25	59	26	57	21	266
TV Assistants and Trainees	5	80	8	40	7	9	149	
Building and Studio Employees	3	1	2			3	9	
Junior Administrative & Clerical Staff	5	19	2	11	1	4	4	48
	3	85	388	82	341	77	29	1100

## STATION RELATIONS

Supervisors	3						3
Jr. Admin & Clerical	5						5
	8						8
Superv. & Dept. Heads	7						7
Sales Reps & Ass'ts	18						18
Admin & Clerical	59						59
	84						84

TOTAL 16 177 1401 165 1344 176 29 198 19 3525















5023  
HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

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TUESDAY, MAY 9, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Captain W. E. S. Briggs, Vice-President.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

Chairman: Mr. George C. Fairfield  
Vice-Chairman: Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
Clerk of the Committee.

## CORRECTION

PAGE 476—Eleventh paragraph from bottom of page, the question by Mr. Smith (*Calgary South*), should read: Do many programs reach...

# MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, May 9, 1961.  
(22)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell, MacEwan, McCleave, McGrath, McQuillan, Mitchell, Pickersgill, Pratt, Pugh, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Tremblay, Webb—(22).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. Ronald C. Fraser, Vice-President, Corporate Affairs; Mr. R. E. Keddy, Director of Personnel and Organization; Mr. C. B. McKee, Director of Industrial and Talent Relations, and Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

Before proceeding with the business of the day, the Chairman reported on behalf of the Subcommittee on Agenda and Procedure. (*See Evidence next page*).

Mr. Smith (*Calgary South*), pointed out to an error in the evidence, at page 476, and Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, was allowed to make certain clarifications in the printed report of his testimony at a former sitting. (*See Correction on opposite page and Evidence on following page*).

The Committee resumed from Thursday, May 4th, its adjourned inquiry into the affairs of the Canadian Broadcasting Corporation.

The Chairman announced that a return, showing C.B.C. operating costs broken down by location, as requested by Mr. Horner (*Acadia*), on May 4th, had been filed and copies thereof were being distributed to each Member. However, it was agreed that the said return be appended to this day's printed Evidence. (*See Appendix "A" hereto*).

Mr. Alphonse Ouimet was recalled.

The witness filed the Canadian Broadcasting Corporation's Annual Report 1959-1960, copies of which were distributed to the Members present and by hand to the respective rooms of those Members unavoidably absent from the meeting. The witness undertook to provide each Member with a set of documents which he described as background material to the Annual Report and Budget. During his interrogation the witness was assisted by Captain Briggs.

Part of the interrogation of Mr. Ouimet was conducted in French.

And the examination of witnesses still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m. the Committee adjourned to meet again on Thursday, May 11th, at 9.30 o'clock a.m.

Antoine Chassé,  
*Clerk of the Committee.*





## EVIDENCE

TUESDAY, May 9, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman and gentlemen. We have finally got a quorum and the meeting will come to order.

Mr. SMITH (*Calgary South*): I wonder if I may make some corrections now in the report of the last meeting?

The CHAIRMAN: If you will just hold them for a moment, I have some announcements to make. We held a steering committee meeting last night. There was not a full attendance but there were some questions which we had to examine.

One was a question by Mr. Fisher that union heads be brought before the committee. This was considered, and the members of the steering committee thought it should be postponed until such time as the committee felt we would have the time to examine these people. Another question which was examined was how many part-time employees have appeared more than 15 times on C.B.C. program. I think this was modified by the questioner, Mr. Chown, into groups or classifications in so far as their total pay was concerned over a period of a year. You might say it was to be divided into group emoluments of \$2,000, \$4,000, \$6,000, \$8,000 and so on, without reference to names, and it was agreed that this should be permitted.

Since we last met some members of the committee have indicated to me that they would like to call witnesses other than those who have been appearing before us so far. In anticipation of this, I broached the matter with the steering committee and we discussed whether it had merit or not. It was the opinion of the steering committee that those members in authority in the corporation, such as members of the board, vice presidents and general managers may be heard and questioned. However, if others are requested to appear it is a matter which would have to be referred back to the steering committee. I think that was the unanimous feeling of the steering committee last night.

In so far as extending the time of the hearings is concerned, I must say I did not agree with the steering committee on that. They felt that this question should be deferred for several weeks because of the visit next week of the President of the United States of America. In actual fact, they considered it should be deferred for two weeks.

Mr. SMITH (*Calgary South*): With respect, Mr. Chairman, that was hardly the reason. I suggested there was a concentration of committee meetings next week, in addition to the visit of the President. The decision was not made solely in respect to the President's visit.

The CHAIRMAN: I did not agree with it, anyway.

Mr. SMITH (*Calgary South*): I am quite sure you did not, but I wish you would give the proper reasons.

The CHAIRMAN: I am sure that was the main reason.

At our meeting on May 4, Mr. Horner requested a return showing C.B.C. operating costs broken down by localities. That is now being distributed. Is it agreeable that it be printed as an appendix to the evidence?

Some hon. MEMBERS: Agreed.

Mr. SMITH (*Calgary South*): Mr. Chairman, Mr. Ouimet has been kind enough to point out a very obvious mistake on page 476 of the evidence, in which it is stated that I asked:

Do any programs reach the point where costs are really fairly high before the programs are cancelled?

That, of course, should read:

Do many programs...

because later on in examination I get down to determining the extent of the numbers actually involved.

The CHAIRMAN: Mr. Ouimet, I believe you have some corrections.

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): At page 472 of number 17, in answer to a question from Mr. Smith, I am reported to have said:

Most of them never get to the board from management committees.

Frankly, I cannot recall exactly what I said but if I said that, it was definitely wrong. The answer should be: "Yes, some may not get to the board". Then, the fifth line in the third paragraph on page 473 reads:

General practice of the committee to give considerable attention to anything which reflects or is measure of the growth of the organization.

What I said was: "General practice of all boards to give considerable attention to anything which reflects or is a measure of the growth of an organization". On page 475, in the middle of the page, the last line of an answer to Mr. McQuillan says:

The committee makes the decision.

If I said that, it was wrong. The chief executive makes the decision.

The CHAIRMAN: Is that all the corrections you have?

Mr. OUMET: That is all.

The CHAIRMAN: Now Mr. Ouimet has some booklets and other material to place before the committee. Have you anything to say on this?

Mr. OUMET: At this point, Mr. Chairman, we do not have the material with us for distribution but you will recall that, following a discussion with you, we agreed to supply certain documents which might be of interest to the committee, although they had not specifically been requested. For example, there was the annual report; and you will be requiring copies of our annual budgets to deal with finance. We also have a document on the history and development of the national service, and other documents which I think would be useful to the committee. These documents are not available for distribution now. There are about 15 of them and we thought we would make them available to you through the mail.

The CHAIRMAN: To our offices?

Mr. OUMET: Or we shall deliver them to your rooms. Now, Mr. Chairman, I have an answer to Mrs. Casselman's question regarding the cost of programming and distribution.

If I may, I should like to refer Mrs. Casselman to the copy of the annual report for 1959-60, which is being distributed just at the moment, and refer to what would be page 24, if it were numbered. Actually, it is numbered up to page 20, and after that the report consists of financial statements. I am referring to the statement of operations, and at the very beginning of that statement you have costs of production and distribution, showing the cost of programs, of network distribution, station transmission and so forth. I think this gives all the information that we can provide at this particular moment,



but if Mrs. Casselman has any other questions regarding this matter, we would, of course, be pleased to supply her with further breakdowns.

Mr. HORNER (*Acadia*): I had a request that a statement be given to the committee outlining, more or less, what is handed down from the executive to the supervisors of programs in an effort to maintain standards and actual policy of the C.B.C.

Mr. OUMET: This will be given to you.

Mr. Chairman, I had another answer to give to a question asked by Mr. McCleave at the meeting on May 4. He asked for the B.B.C.—C.B.C. staff comparisons. Here are the figures for the B.B.C., as published in the 1961 B.B.C. year book. They are: radio service, approximately 5,550, television service, approximately 7,950; the external broadcasting services, approximately 3,450. The total for the B.B.C. is, therefore, approximately 16,950.

The corresponding figures for the C.B.C. are: radio service, 1,530 approximately; television service, 5,455 approximately; for our external services—and this is really the international service—168, giving an exact total of 7,153.

I believe that the committee was particularly interested in a comparison of the television staff of the C.B.C. with the television staff of the B.B.C., so you will note that the C.B.C. staff is really something like 31 per cent less than the B.B.C. staff.

I should also stress what I mentioned before, that although our television staff is 31 per cent less, our program output is considerably greater because, in the first place, we transmit more hours during the week and also we transmit in two languages and we have a greater number of our own program originations. I believe I referred to the source of these figures as the B.B.C. year book. It is the B.B.C. hand book.

Mr. SMITH (*Calgary South*): I should like to get a further breakdown of the cost of programs as shown on page 24 of the statement of operations. The total given there is \$57,890,000 and I assume the major costs would be production charges, fees for actors and so on; but I should like to know if such costs as copyright are included, and whether there is any apportionment for promotion and public relations and any other particular fees contained in this. Do you think that some time later on we can be given the total breakdown of the costs of programming?

Mr. OUMET: We could give you exactly what is included under that heading, and perhaps some broad categories of expenditures within that.

Mr. SMITH (*Calgary South*): If you would, Mr. Ouimet, and we can have a look at them at the appropriate time.

The CHAIRMAN: Last week we were still on personnel.

Mr. HORNER (*Acadia*): I have some more questions on personnel.

The CHAIRMAN: Then go ahead, Mr. Horner.

Mr. HORNER (*Acadia*): I think I should state the reason for asking my first question. In my mind, at least, I think it is clear that actually the person doing the hiring—I am not referring here to permanent help but to outside help, outside stars—the person who actually does the hiring is the supervisor of production in the division concerned. Am I right in that assumption?

Mr. OUMET: You are speaking of performers, actors?

Mr. HORNER (*Acadia*): Yes.

Mr. OUMET: Particularly those?

Mr. HORNER (*Acadia*): Yes.

Mr. OUMET: The person who chooses the cast for, say a play or a variety show, is the producer of that program, in consultation with the supervisor of variety, if it is variety, or the supervisor of drama, if it is drama.



Mr. HORNER (*Acadia*): But in a sense the supervisor of programming in that division, say in sports or public affairs, more or less suggests to the programming committee whom he wants for that particular position. Am I right?

Mr. OUIMET: In a general way.

Mr. HORNER (*Acadia*): In this, what you might call, white paper which you have given us is there any preference given to American announcers where Canadian announcers will do the same job as well, if not better?

Mr. OUIMET: Most definitely not. I think I pointed out at one of the early sessions of the committee that we started with a policy which insisted practically on the exclusive use of Canadians but, as the problem of developing Canadian talent got behind us then, of course, we were a little bit more open minded about how we approached the subject. Now we will hire non-Canadians if they will contribute something additional to a particular program.

Mr. HORNER (*Acadia*): I have a particular program in mind at the present time. In fact I heard numerous complaints about it. I am referring to an incident a year ago in relation to the Calgary Stampede when the C.B.C. employed an announcer from the United States to come up and announce that truly great Canadian show. I had a number of complaints about that and recently I noted that the C.B.C. again employed another American to come up and announce an hour long show of rodeo, when nine out of ten western auctioneers could have done just as good a job. In this particular case I should like to know how much it cost the C.B.C. to bring up "Cy" Taillon from California to announce an hour long show in Winnipeg last Saturday.

Mr. OUIMET: Mr. Horner, I am not familiar with the details of the arrangements made for this program. I shall look into it and report later.

Mr. HORNER (*Acadia*): I want the cost of bringing this particular person up for that hour long show.

Mr. CHOWN: For the record, may I ask what the show was?

Mr. HORNER (*Acadia*): It was The World Of Sport, an hour long rodeo show, the Winnipeg light rodeo on The World of Sport. The rodeo was in Winnipeg and the C.B.C. just filmed it. I do not imagine they paid anything for the actors. I am serious about this. I heard a number of complaints from men who do announcing at every rodeo in western Canada all year long. The C.B.C., which is paid for by the Canadian people, went down to the United States to bring up an announcer to announce that show. I was quite serious when I said that nine out of ten auctioneers do the job regularly, and do it as well, and could have done just as good a job as this fellow.

Mr. OUIMET: I wish I could answer you immediately, but this happens to be one of many programs.

Mr. HORNER (*Acadia*): I realize that.

Mr. OUIMET: I do not have the information at this stage. As soon as I get it I will be in a position to discuss it.

Mr. HORNER (*Acadia*): And give the cost of bringing this particular person up for this particular show, and perhaps go back and find out what it cost to bring him up for the Calgary stampede; also what he was paid.

Mr. CHOWN: Would you be good enough to produce the total number of corporation employees who as of March 31, 1961, were in receipt of incomes of \$10,000 or more annually. I do not want their names. I just want the total number. Then would you indicate how many of these persons were appointed to their present position at the salary level of \$10,000 or more, and how many attained it by way of promotion from a financially junior level?

Mr. OUIMET: We will provide the information.

Mr. CHOWN: Also, would you indicate how many of these persons are located at what centers across the country; that is, so many in Toronto, so many in Ottawa, so many in Montreal, and so on.

The CHAIRMAN: That might pin it down too much if there was only one in one center, say in Winnipeg.

Mr. OUIMET: In a general way, when there are a number, there is no problem in putting out the information; but if it should happen to be the only position at a particular place then it becomes obvious, and I would prefer to provide the information in some other way.

Mr. CHOWN: Perhaps you could take your production centers, say Winnipeg, Toronto, Montreal and so on.

Mr. OUIMET: Would you agree to Montreal, Ottawa and Toronto only?

Mr. CHOWN: Yes, and Winnipeg inasmuch as I come from there. Would that be narrowing it down too much?

Mr. OUIMET: I think it would.

Mr. CHOWN: May I have the total number?

Mr. OUIMET: Yes.

Mr. CHOWN: Also will you produce for the committee a list showing the total number of free-lance performers of any type, including writers, who received from the C.B.C. in the fiscal year ending March 31, 1961, payments of \$10,000 or more in any connection?

Mr. OUIMET: I thought I had to supply this in another form for the year 1960. Would that do?

Mr. CHOWN: Yes.

The CHAIRMAN: Is this not in the line of asking for the breakdown of the number of outside talent of any type?

Mr. CHOWN: Yes.

The CHAIRMAN: This was agreed to.

Mr. CHOWN: At the executive level would you give the committee a general comment on the comparison of the salaries in the upper executive level with those in outside industries of a parallel or analogous nature, or in industry generally.

Mr. OUIMET: Yes. I think I can comment in a general way on the salaries of the corporation. Already I have said that so far as the union staff is concerned, we are keeping up with the average wages of industry. As you go higher up in the organization of the C.B.C., however, salaries tend to be depressed compared to prevailing rates in industry. Immediately above the union level the situation is not too serious, although we do have some difficulties; but when you get to middle management, without specifying what positions those are, we get into a differential of the order of twenty or twenty-five per cent with industry. By the time you reach the level just below that of the president and vice-president we are between forty and fifty per cent below industry.

Mr. CHOWN: I have one other question. Would it be possible for the corporation to provide the committee with a list of writers from whom the corporation purchased any kind of script in the fiscal year ending March 31, 1960, and the number of times that any such purchase was made from each such writer.

Mr. OUIMET: What kind of writers? There are many. Are you thinking of the writing of ordinary scripts or the writing of scripts for plays? This involves quite a number of people.

Mr. CHOWN: It is a large number of people?

Mr. OUIMET: It is.



Mr. CHOWN: I meant any outside supplier of written material for the C.B.C. Is that too difficult to do by way of listing names? Perhaps you could give us the number and the cost?

Mr. OUIMET: Yes; we could give you that.

Mr. TREMBLAY: Could you give us the names of the writers?

Mr. OUIMET: All writers?

Mr. TREMBLAY: Particularly the French writers.

Mr. OUIMET: As you know, Mr. Tremblay, in the past when we have appeared before committees such as this we have tried not to get involved in the names of performers or staff or writers. Up to date all parliamentary committees have sustained, not our objections but let us say our opinions on this question, and I hope this would also be the case at this time.

Mr. TREMBLAY: Some members did not accept this decision of the committee in 1959.

The CHAIRMAN: Could we take this up in the subcommittee.

Mr. HORNER (*Acadia*): On that point, in view of some of the charges made in the House of Commons, I think Mr. Tremblay's question is in order. We should have a look at who is writing the material.

The CHAIRMAN: Are they not announced on the film when the play is produced?

Mr. OUIMET: In respect of the question regarding the writer of a play, of course the name is announced on the air at that moment. Performers also are mentioned, but not all of them, because only the stars will be mentioned. My comments were of a general nature in respect of making available lists of names of either staff, writers, authors, or performers, because I think the only purpose of providing names would be for the committee to examine the particular competence of specific persons. I think that would be an area in which such a procedure could create many difficulties. In the past, where this has been proposed quite frequently in committees such as this, we have put our case forward and all the committees have maintained that it was not in the public interest.

Mr. CHOWN: Essentially what I am trying to get at is costs and numbers. I would be satisfied to get that information. To make it even clearer, what I have in mind is that somehow I would like to know how much of the writing is done by in-staff and how much is done by out-staff.

Mr. OUIMET: I can answer this immediately. It is done outside practically ninety-nine per cent. Practically all of it is done outside the corporation.

Mr. CHOWN: Can you give me the other information as to the total number?

Mr. OUIMET: Yes.

M. TREMBLAY: Monsieur Ouimet, est-ce que vous avez déjà reçu des protestations; est-ce que vous avez déjà personnellement reçu des protestations de la part d'auteurs qui se sont vus systématiquement refuser les textes qu'ils ont présentés?

Mr. OUIMET: Over the years I have received a few. I do not know that I have received any the last year or six months.

Mr. TREMBLAY: What do you mean by few?

Mr. OUIMET: I mean five or six over a fairly long period—a number of years.

Mr. TREMBLAY: From unknown writers or very well known writers?

Mr. OUIMET: I think there was one case several years ago when I had a protest from a fairly well known writer. The others were not so well known. As a matter of fact the protest which I had from the fairly well known writer



I think was not based on facts. I think he had managed to sell the C.B.C. a number of scripts and wanted more.

The CHAIRMAN: Would you hold these questions until we get to the examination of programming. This is strictly on personnel.

Mr. TREMBLAY: I think I can put these questions now because we are studying the matter of personnel; it is related to personnel.

The CHAIRMAN: It is related to personnel, and also to programming.

Mr. HORNER (*Acadia*): This is just asking for information which could be tabled later on. It could be tabled when programming comes up. I think this might satisfy Mr. Tremblay.

The CHAIRMAN: If that is what he is asking for.

Mr. HORNER (*Acadia*): He is asking for answers which will give information later on.

The CHAIRMAN: All right; so long as we do not go into operations of programs, which we will be into fully later.

Mr. TREMBLAY: I will put the questions later.

Mrs. CASSELMAN: Could we revert to the subject which we did not quite finish last meeting, when we were given an example of one program that was done completely freely by the artist in charge. Could we find out how many programs are done in this way, where someone has a completely free hand?

Mr. OUIMET: I believe Captain Briggs had started to discuss this with you. I will ask him to continue.

Mr. W. E. S. BRIGGS (*Vice-President, Canadian Broadcasting Corporation*): There are many areas in this regard. The sort of example I might give you would be in the area of, say talks, for example. A producer there might have the complete handling of an individual in connection with a particular subject. That is, he might make the actual contact with the individual, discuss the subject, and go over the whole thing very thoroughly, and take it from there right up to the point of rehearsal and actual production. That would not be unusual in quite a number of talks where the subject is fairly simple.

Mrs. CASSELMAN: You have quite a number of people who have quite a free hand in this regard and who carry it right through to the point of putting it on the screen.

Mr. BRIGGS: This is rather difficult to answer, when you say quite a few. Quite a few on a per occasion basis might do this. For example, if you were arriving at one of our locations, someone might want to interview you. It would be one person who would make the contact, have the discussion with you, and carry it right through to the conclusion where you were on the air on radio or television.

Mrs. CASSELMAN: Originally I was thinking more of people who plan a program in this way: they have an original idea they would like to pursue in the way of doing a sketch of somebody or some thing. Would you have any idea how many you have who are in charge of this type of program?

Mr. BRIGGS: This would usually be done through a program department. It would probably be a question of a series which would accommodate the type of program or subject matter which you are suggesting. This might be assigned to one producer who would carry the series through; it might be a series of thirteen weeks. The subject would be discussed and decided upon before the actual individual went forward.

Mrs. CASSELMAN: You say it would go to a producer. Does he then put someone in charge of it? You mentioned an example in the maritimes of a program where a certain artist had complete charge.

Mr. BRIGGS: Subject always, of course, to the supervisor's endorsement.

Mrs. CASSELMAN: The supervisor okays his whole plan and his questioning, or the script of the program.

Mr. BRIGGS: Not always on the questioning or the script. Some of these may not have a script at all. If it is a straight interview there would not be any script at all.

Mrs. CASSELMAN: It might be impromptu.

Mr. BRIGGS: Yes. You might have somebody who has been visiting a certain part of the world and who had come back with perhaps a bunch of lace, we will say. There might be various cases like that which might be the subject for a program like "7:01" or "Gazette".

Mrs. CASSELMAN: He might come back with quite amazing ideas. That brings up another point. I assume, then, that you have a pretty close security check on these people who have this free hand in questioning. You have a pretty solid background on them from a security point of view when they are interviewing people from all over the world.

Mr. BRIGGS: Yes.

Mrs. CASSELMAN: You have a security check on people like this?

Mr. BRIGGS: Yes.

Mr. OUMET: May I add something to what the vice-president has said. I think the important point to make there is that while the producer may be delegated considerable freedom in certain cases when he needs it in order to get the program done, then, of course, it is up to the supervisor to double check him at any point where he feels double checking is necessary, and particularly if it is in a sensitive area, in which case the supervisor takes a closer hand in the whole process. Now, I do not think there is any outside artist who is engaged and given a completely free hand as to who he will himself employ to help him to do his project. All of this goes back to the supervising producer, the executive producer, or the supervisor, depending on the situation.

Mrs. CASSELMAN: Captain Briggs said that this program which he mentioned at the last meeting was conducted by a personality at a flat fee. So presumably he is completely in charge?

Mr. BRIGGS: The particular case of which I was speaking was of an individual who was engaged at a flat fee per annum to conduct a program for us and to do the interviewing on this program. His job was to research, dig out, seek interesting people and interesting objects. These he would place before a supervisor.

Mr. PUGH: For the record may we have the name of the program?

Mr. BRIGGS: It was "Gazette", which is a program done in Halifax. A similar type of program is done in all of our major locations. In Toronto the program is called "7:01".

Many of these subjects would be chosen some time ahead. In other words the man would try to work two or three weeks in advance. On the other hand, of course, there would be occasions when something of interest or significance would come up and the opportunity would be taken when the person involved was passing through. This would be passed to the supervisor for his general approval of the subject matter, and therefore he would have a general idea of the line of questioning, if it were to be an interview. If the person to be interviewed happened to be a mountaineer or a great climber you would know that the whole subject would be centered around his climbing.

Mrs. CASSELMAN: In other words the supervisor takes the full responsibility for anything done in this way.



Mr. BRIGGS: He has to. Within that framework the producer goes ahead; he is the operative person who goes ahead and actually does the interview.

Mrs. CASSELMAN: Is it customary for the supervisor to check carefully on the background of someone who is given a pretty free hand in a sensitive area?

Mr. BRIGGS: Yes.

Mrs. CASSELMAN: Or is this checked so carefully, generally, that it is not necessary at the time?

Mr. BRIGGS: They will get advance checking and checking at the time.

Mrs. CASSELMAN: Is there any checking of this sort into the background of a writer when a script is bought; a security check of any type?

Mr. BRIGGS: I think people would have a fair idea of the background of a writer. I think what would interest them more would be the material.

Mrs. CASSELMAN: There is no security check on writers?

Mr. BRIGGS: I am not quite sure on that. If a man sends a script to me, offhand I would not know what he was.

Mrs. CASSELMAN: If you were going to buy the script, would you check?

Mr. BRIGGS: We would certainly find out something about him?

Mrs. CASSELMAN: What is "something"?

Mr. BRIGGS: I do not know how far you would want to go in respect of this. I do not think I would put in a phone call to, say, the R.C.M.P. and say, can you tell me whether Mr. Jones or Mr. "X" who submitted a script to me is this, that, or the other.

Mrs. CASSELMAN: When you are about to pay a considerable amount, would there not be occasions when you would want to do this?

Mr. BRIGGS: There have been occasions.

Mrs. CASSELMAN: There have been occasions when you checked that completely?

Mr. OUIMET: Generally speaking, we do not have a routine security check on all the writers who supply material to us because what is important is what they write, and this is very easy for us to see because we have their material before us. In that way we have a real test of whether there is anything in their writing which is not appropriate for broadcasting. In the writing field it is very easy to know whether some one is up to something or not, because we have his material beforehand. It is not the same thing as when you are dealing with staff, when there is no such concrete opportunity to double check. I must say we have not had much trouble of that kind over the years with writers.

Mr. SMITH (*Simcoe North*): I notice in a lot of musical programs script writers are employed and are given credit at the beginning and end of the programs, even though there is seldom more than one syllable used by the artists in their commentaries. What range of fees, for instance, are paid for a half hour musical program? How much would a script writer get?

Mr. OUIMET: May I look this up, Mr. Smith? I think we have the information here but I have not got it in my mind. It will take a few minutes.

Mr. SMITH (*Simcoe North*): Do you always employ script writers on such programs?

Mr. OUIMET: No, but most programs require definite continuity. It may not appear that way, but someone must conceive the flow of all the various numbers and their interlinking with the proper words.

Mr. SMITH (*Simcoe North*): Would that not be the producer?



Mr. OUMET: Yes, the producer also, with the help of a script writer. Could we discuss this further, Mr. Smith, when we have some of our colleagues here who are more closely associated with the actual production function?

Mr. SMITH (*Simcoe North*): For some programs you have a producer, a script writer and other credits, which makes it look to a layman as though rather a lot of personnel are employed on fairly simple programs.

The CHAIRMAN: Can we reenter that area when we get into programming? Mr. Ouimet will get these figures.

Mr. OUMET: The fee for skits and dramatic bridging and vignettes, skits, sketches, and dramatic inserts for a thirty minute program would be \$75 which is the union scale.

Mr. PRATT: Is that the minium?

Mr. OUMET: Yes.

Mr. SMITH (*Simcoe North*): What would be the maximum?

Mr. OUMET: It all depends on the work, the reputation, competence and qualifications of the man doing it.

Mr. SMITH (*Simcoe North*): Would it go as high as 500 for a half hour musical program?

Mr. OUMET: If there were a lot of writing and original thinking in it I might say that to get a first-class program we might have to pay that.

Mr. PRATT: Could we take one specific program, such as Juliette. I think the writer is Mr. Alex Barris. What would he get for writing the script for Juliette? This is a specific question. You may not be able to answer it to-day but I should like to have an answer.

Mr. OUMET: Again, it is a question of names and fees attached to names.

Mr. PRATT: Mr. Chairman, I think I must take strong objection to your objection at mentioning names where fees are concerned. We are not questioning the artistic ability of these people and I do not see why their fees should not be mentioned. They are in public life, just as we are in it. Our fees are well known. We get \$10,000 a year of public money. These other people are also in public life and I do not see why they should try to hide their fees, any more than we do.

Mr. OUMET: I know the subcommittee is going to decide that question but, since there seems to be some insistence on the part of some members of the committee, I think I should point out to you that it would be most difficult for us to conduct a satisfactory operation where the fees that you pay to Mr. X are known to Mr. Y. Next time, Mr. Y will ask for the same amount as Mr. X.

Mr. McCLEAVE: So X will equal Y.

Mr. PRATT: This would not be a question of comparative ability. We are not questioning the comparative ability of these people. That is an argument C.B.C. will have to face with their writers. It might even be well if Mr. Y realizes he does not get as much as Mr. X because he will then realize he is not as good as Mr. X.

Mr. OUMET: I can only say to Mr. Pratt that we have hesitated to make this information available in the past. Of course, we are in the hands of the committee in respect to such things. The committee can ask us for anything and, if you insist, we shall supply the information, but I want to stress the disadvantages of doing so. You know the advantages of providing information. You have stressed them over and over again, but I want to stress very strongly that if we start this sort of publication of individual artist's fees it could make it quite difficult for us in our negotiation process with the artists.

Mr. PRATT: I understand and respect very well the reasons for C.B.C. not wanting to divulge this information but, for our purposes, I think it is almost necessary for us to know these specific cases, because if we are to continue to speak in terms of total amounts we are not going to get anywhere and we cannot judge. I should stress that we are not judging the comparative ability of these artists and writers.

The CHAIRMAN: May we take this up in subcommittee?

Mr. SMITH (*Simcoe North*): It seems to me that one of the reasons for the committee being in existence is to investigate whether or not the money that is used from the public funds is justified, and the cumulative totals seem to me rather meaningless. Unless in certain areas we can get specific information the whole point of our inquiry is lost. It means little to me that it costs \$26 million to run the C.B.C. in a certain area. I know that there are other people checking the expenses of the C.B.C. from an auditing point of view but, after all, it is our duty to justify or not justify the general expenses for the expansion of the C.B.C. That presents a very difficult problem for us, and maybe the importance of the line of questioning pursued by Mr. Pratt should override the sensitivity and minor difficulties which it might cause.

Mr. PRATT: If I may point to a precedent, the public accounts committee continually comes down to specific names and specific cases.

Mr. CHOWN: That reminds me; that is where I should be now.

Mr. FISHER: The public accounts committee is going to review the C.B.C. from this point of view.

Mr. CHOWN: They will not have time, Mr. Chairman.

Mr. FISHER: It is on its schedule.

The CHAIRMAN: We shall take the matter up in subcommittee.

Mr. CHOWN: Following on Mr. Horner's question, may I ask something along the same lines of Mr. Ouimet, and this will require the production of information?

On your national television news of Wednesday, May 3, shortly after 11 o'clock, your Ottawa correspondent, Mr. Norman DePoe, was introduced to give a brief commentary on affairs in the Congo and this appearance was preceded by an announcement from Mr. Earl Cameron that Mr. DePoe had just returned from that troubled state. Were Mr. DePoe's expenses in visiting the Congo paid by the corporation and, if so, what is the estimated total of those expenses? For what purpose was Mr. DePoe sent to Congo? Does the corporation subscribe to the news services provided by Canadian Press which has, or recently had, one or more correspondents in the Congo? Was any effort made to have the corporation's reports from the Congo provided by Canadian Press or other experienced correspondents already on the spot?

The CHAIRMAN: That is not on personnel, I think.

Mr. HORNER (*Acadia*): I have a question on personnel.

Mr. CHOWN: It is statistical information which I thought should be put on the record.

Mr. OUIMET: We shall give you that information.

Mr. SMITH (*Calgary South*): May I remind Mr. Ouimet that at our last meeting I asked him would he endeavour to find out comparable information on total staff and employees—people who are not necessarily part of the corporation—who are serving abroad, and the extent, the number of employees and the total cost. This will be given to us, I presume?

Mr. OUIMET: We have started to work on the compilation of the answer.

Mr. HORNER (*Acadia*): This is a general follow-up to my earlier question. It stems from what Mr. Ouimet has said, that the corporation now tries to hire



as many Canadians as possible, wherever Canadians will do comparable jobs. Now, for the period from April 1, 1959, to March 31, 1961, I should like to know how many people came into Canada in whole or in part at C.B.C. expense? I should like to be given a list of the names of these people, the purposes of bringing them into Canada, what particular programs they participated in, and whether they were employed for the full time of the programs concerned or for just a short period of them.

Mr. OUMET: You are speaking of artists?

Mr. HORNER (*Acadia*): I can give you a few names which may clear the matter. I am thinking of the time when Lady Docker was brought over from Great Britain. Randolph Churchill was another one who was brought over from Great Britain.

Mr. PICKERSGILL: Why?

Mr. HORNER (*Acadia*): Then there was Brendan Behan, another crackpot. Then you had a couple of interviews with somebody who, according to my information, is not a member of the *Christian Science Monitor* newspaper in New York. Another instance I brought up earlier was the rodeo announcer. I shall readily agree he is the top rodeo announcer in the United States, but that does not say a Canadian could not do the job just as well because all you had was his voice. You did not see him; all you had was his voice, and his voice was typically American, with a long drawl and everything else. I am quite serious about this, and I am not going to leave it up to the steering committee to decide. I shall make a motion that the information be given.

Mr. PICKERSGILL: Why does the honourable gentleman not make the motion and get the business over with? I think the rest of us are getting a little tired having the whole time of the committee monopolized by this authority on crackpots talking on other crackpots.

Mr. HORNER (*Acadia*): Mr. Chairman, the Liberal party always say they cannot have their say, but they have their opportunity here and I must object to Mr. Pickersgill's remarks.

Mr. PUGH: Every time he speaks he says he has been tied.

Mr. PICKERSGILL: I have not said anything for the last hour.

Mr. PUGH: That is a record.

Mr. SMITH (*Calgary South*): There does not seem to be anything contradictory here.

The CHAIRMAN: Mr. Ouimet has not even answered.

Mr. CHOWN: He has not had a chance to answer.

Mr. OUMET: There is certainly no objection to providing this information, but it will require the examination of records and it may be a fairly lengthy process. May I say this though, that generally speaking, the importation of foreign talent into Canada is very small.

Mr. HORNER (*Acadia*): But I want the costs, the names of the persons, the purposes for bringing them into Canada and the amount of time they appeared. I want to know how much it cost to bring Lady Docker here, and how much it cost to bring Randolph Churchill.

Mr. OUMET: We have already given the information to parliament about Lady Docker.

Mr. HORNER (*Acadia*): I am not worrying about her but I do want to find out how much it cost to bring "Cy" Taillon here. We have set up something which is defined as truly Canadian content, which a lot of people think is pretty hard to judge. In fact, we have had evidence before the committee that it is pretty hard to judge, and this whole question stems from



Canadian talent. I want to know, are we just floating into the United States and Great Britain and bringing in talent which we do not need? Is the C.B.C. spending money to the exclusion of Canadians?

If I may refer to a particular instance, the rodeo announcer in Calgary who has been announcing that show for years, and who announced it all that week, could have announced it for the C.B.C. broadcast. The point I am trying to make is that this information is essential to judge and appraise whether the C.B.C. is maintaining its standards of hiring Canadians where Canadians are just as able to do a comparable job.

Mr. SMITH (*Calgary South*): Since the hon. member is dealing with the stampede, would he mention the date at the same time?

Mr. SMITH (*Simcoe North*): Last year's date.

Mr. OUMET: Mr. Chairman, Mr. Horner is so insistent on this point, but I have already indicated that we want to give him the information if we could go through the process of compilation.

Mr. HORNER (*Acadia*): Fine. I have lots of time.

Mr. OUMET: But Mr. Horner has made many other statements in delivering his question, and I think I must deal with them so that there will be no misunderstanding about the position of the C.B.C. You were talking about Canadian content?

Mr. HORNER (*Acadia*): Yes.

Mr. OUMET: The Canadian content of the C.B.C., as you know, is the highest of any time in its history and we are at all times taking all possible measures to develop Canadian talent. But surely you are not suggesting that in our efforts to develop something Canadian—which we have done; this is not questionable, it has been achieved—surely you are not suggesting that on suitable occasions, when a program can gain, we cannot be allowed to bring in other talent,—because this is a two-way street? Certainly we are proud when Canadians find their way in the United States and appear on American programs, and when they find their way in Great Britain and appear on British programs. It must be remembered that the efforts of the C.B.C. in the talent field have established an international talent reputation and many of its artists have gone away. We are big enough now to afford to have a few non-Canadians.

Mr. HORNER (*Acadia*): I never said we could not afford them, but I did say that there is a good deal of difficulty in judging Canadian content. Some people have told me the world series could be called Canadian content, and certainly in this show in Winnipeg the boys who rode the broncs and bulls were mostly Canadians. There were a few Americans but they were mostly Canadians, and yet the C.B.C. hired an American announcer. That is the whole hoax of the thing. Are we judging it from an accurate appraisal, and I want to know why many of these outsiders were brought in and how long they appeared on the programs.

Mr. PICKERSGILL: I should like to ask Mr. Ouimet a supplementary question. Was the reason for bringing in the American announcer for this rodeo show due to the fact that the only other competent announcer was engaged in the House of Commons and was not available?

Mr. HORNER (*Acadia*): That interjection reminds me of a very often quoted phrase by an hon. member in the house: "It is a silly statement".

Mr. PICKERSGILL: It was a question.

Mr. PUGH: I have a supplementary to Mr. Horner's question. Would you judge that a Canadian content program or is it an American one? Is it part American and part Canadian?

Mr. OUMET: So far as the C.B.C. is concerned it abides by the regulations of the B.B.G. in such things, and I think the B.B.G. would consider the program produced in Winnipeg in great part with Canadian artists and talent and with, apparently, either one horse or one announcer American, does not make it an American program.

Mr. PUGH: May I ask you one further question on that point? Was an attempt made to get a Canadian announcer?

Mr. OUMET: I have already said I wish I could deal intelligently with this question, but I do not know anything at all at this particular moment about this particular American announcer. I am interested, though, in what has been said by Mr. Horner. He said he was the best announcer in the United States for rodeos.

Mr. HORNER (*Acadia*): He is one of the top announcers. I am not denying that. All I am questioning is the C.B.C. bringing this man up to Winnipeg when a Canadian announcer could have been obtained, which would have assisted in developing Canadian talent.

Mr. SMITH (*Calgary South*): I wonder, Mr. Chairman, may we continue on programming as such? It occurred to me that we might get back to personnel.

The CHAIRMAN: Are we through with personnel? If so, we can go on to deal with industrial and talent relations.

Mr. TREMBLAY: We are not through with personnel. I have a few questions.

The CHAIRMAN: Then continue, Mr. Tremblay.

M. TREMBLAY: Monsieur le président, j'aurais quelques questions à poser à M. Ouimet au sujet de la participation du personnel de Radio-Canada aux affaires publiques. Nous avons un item qui parle ici de "staff participation in public affairs".

Mr. OUMET: This is in relation to an item which was brought up at one of the earlier meetings of the committee and it had to do with the question of members of our staff, and sometimes outside performers engaged by the C.B.C., who become associated with, say, political activities, though the title can be broadened out. This is what we had in mind.

Mr. TREMBLAY: Mr. Ouimet, could you make a statement in this regard?

Mr. OUMET: Yes, I think we can make a statement. We can refer, first of all, to the by-law on this question. Our by-law says that no officer or employee of the corporation employed on a full-time basis shall be a candidate for any public elective office or actively support any candidate for any public elective office, but an officer or employee of the corporation may, subject to the permission of the president, actively support a candidate for a municipal or civic office provided the acceptance of, or the support of the candidate for such office, does not interfere with the proper and regular performance of his duties with the corporation. This is the by-law with respect to staff.

Mr. PICKERSGILL: I should like to ask Mr. Ouimet a question about that by-law. Could Mr. Ouimet say on which section of the Broadcasting Act is it based? This is a check to deny to Canadian citizens the right to participate in the public affairs of their country, and I would imagine the C.B.C., before making such a by-law, would have satisfied itself that parliament gave it the power to take away from Canadian citizens their full democratic rights which other Canadian citizens enjoy. Perhaps Mr. Ouimet would prefer to have legal advice on that point.



Mr. OUMET: It has never entered our minds that we did not have the power to pass such a by-law. Under the act, section 31,—

31. The corporation may make by-laws respecting the calling of meetings of the corporation, the conduct of business thereat, the duties and conduct of the directors, officers, and employees of the corporation, and generally for the management of the affairs of the corporation—

I have read to you the relevant portion of this section of the act. I think we have a very practical problem there.

You can imagine if we had numbers of our staff running as candidates for federal or provincial elections, and making speeches and political campaigns, what would happen to our image with respect to political objectivity? It is just not possible, I think, in the kind of business we are in, and the kind of operation we are in, to have our staff engaged in political campaigns.

The CHAIRMAN: Mr. Tremblay?

M. TREMBLAY: Monsieur Ouimet, je pense que l'on dit que vous avez donné, en vous appuyant sur les règlements de la Société, une interprétation un peu restrictive à cette expression «participation du personnel aux affaires publiques».

Je ne voudrais pas que l'on élimine le véritable problème qui est sous-jacent à cet item, tel qu'il est formulé ici. Il y a différentes façons de participer aux affaires publiques. Ce que j'ai à l'idée, c'est ceci: Est-ce que la société Radio-Canada prend toutes les précautions nécessaires pour empêcher certaines personnes d'user de leur liberté, en tant qu'employés occasionnels de la Société, pour servir des fins de propagande politique?

Je «référerai» tout à l'heure à un exemple précis dont je vous avais parlé et auquel vous étiez intéressé.

Si vous me le permettez, monsieur le président, je vais donner un exemple dont j'ai déjà parlé, privément, à M. Ouimet.

Il y a, au réseau français de la télévision, une émission que l'on appelle «Opinions», dont l'animatrice est l'épouse d'un responsable de la fédération libérale. Or, il y a quelque temps, on a invité à cette émission, une personnalité du gouvernement provincial—encore qu'il s'agissait d'un apprenti ministre—dans le but de lui faire donner son opinion sur l'art de gouverner. Est-ce que vous ne voyez pas, dans une initiative comme celle-ci, un danger, précisément, d'utilisation à des fins politiques de certains avantages qui sont laissés à des employés occasionnels ou ce que vous appelez, dans votre terminologie, des «free lance»?

L'hon. M. PICKERSGILL: Un danger pour qui?

Mr. Ouimet: What you are suggesting, Mr. Tremblay, is that we go much further than our by-law already covers. There has always been some objection voiced by some of the members to the extent of the present by-laws.

You raise two points, the first of which, I believe, is the presence of a person, as moderator of a program, who is the wife of somebody engaged in politics. Frankly, the test of competence for employment on such broadcasts must be entirely based on the qualification of the person herself, and not on what the husband, brother, or the father might think politically.

On the other hand, I would say that if the employment of a person who has a marital association such as that caused difficulty for the corporation over a period of time, where the image of objectivity of the corporation would suffer because of the employment of such a person, then of course we would have to take that into account. But I do not think the employment of a person such as that should be barred simply because the person has a near relative associated with politics. I think this would go much further than the present policy of the corporation.



As to the second point: you talk about the invitation to interview a political figure. You called him an apprentice minister. I must make it very clear to you that the invitation was not at the initiative of the moderator of the program. The responsibility for the appearance of anyone on our programs is the responsibility of the producer and his supervisor, and in this particular case this was a program in our youth program group. You know it is a program which is produced for young people, and this was produced within our children's broadcast department.

I will go further on this one and say that I believe the way the program turned out was not satisfactory to the corporation, not so much because a political figure had been invited, as because the political figure took advantage of his presence on the air to make a political statement. If the political figure had simply kept to his role, which was to answer questions, there would have been no difficulty. But I admit that the program became unbalanced because of the fact that the political figure took advantage of the situation.

I should point out to you that we had another figure invited on the same program recently from a different party. This program went on very well, and there was no unbalance.

M. TREMBLAY: Monsieur le président, je désire relever quelques-unes des observations que vient de faire M. Ouimet.

Je n'ai pas du tout l'intention de prétendre que le fait que telle ou telle personne soit apparentée à un membre éminent d'un parti politique nuise à ses qualités en tant qu'annonceur ou autre chose. Mais je crois que dans le cas que j'ai mentionné, il s'agissait d'une coïncidence tout à fait étrange, et le fait que l'épouse d'un membre bien en vue de l'organisation libérale, elle-même organisatrice libérale, ait invité un ministre provincial, appartenant au parti libéral, pour faire des commentaires sur l'art de gouverner, ait invité un homme qui vient à peine de commencer à administrer la chose publique, constitue une coïncidence tout à fait étrange.

Voilà ce que je voulais souligner. Et je suis heureux de constater qu'à la suite des conversations que j'ai eues avec vous, des pressions ou enfin des observations ont été faites en haut lieu et à qui de droit, de sorte qu'on a rééquilibré, pour ainsi dire, le programme en invitant une personnalité d'un autre parti politique, alors qu'il n'était pas de l'intention, je crois, du responsable du programme, de ce faire, puisque selon la liste d'invités que j'ai vue, que m'a montrée un responsable de Radio-Canada, il n'était pas question du tout d'inviter une personnalité de l'autre parti auquel vous venez de faire allusion.

Mr. PICKERSGILL: I would like to ask a question. Perhaps it would be simpler if I asked my question, which is directly related to this matter: are we to infer from the statement just made by Mr. Tremblay that he is now dictating to the C.B.C. who is to be put on the air?

Mr. TREMBLAY: Oh, this is quite a joke, Jack.

Mr. PICKERSGILL: But that is what he said.

Mr. OUMET: I do not know if I can field all the balls which Mr. Tremblay threw at me. There was quite a number, but I shall try to deal with the important ones. He referred to a private conversation he had with me some time after that program. It is true we had a private conversation, and I believe I mentioned to him at the time of that private conversation that I had already discussed this matter at our own C.B.C. meeting the day after the program, not because of the presence of this moderator, not because of the invitation to a political figure.

There is nothing wrong in either of these things, but simply because the particular political figure did, by his own utterances, unbalance the program. And we have to be careful about such things.

I do not know that the moderator, the lady in question—as you say, or as the translator has reported you as saying—was an organizer of some kind for a political party. As far as I know, she is not. As to the second thing, her husband became engaged in politics, I believe, quite a long time after his wife became a program broadcaster. Surely we are not going to let the wife go because the husband does something.

Mr. PRATT: I hope one was not the result of the other, Mr. Chairman.

Mr. OUMET: You were speaking of coincidence. well, we have 100,000 programs, so there might be quite a number of coincidences. The important thing is that the responsibility for hiring or engaging artists or interviewers is that of the producer, the supervisor, and not of the moderator.

M. TREMBLAY: Monsieur le président, je voudrais bien préciser ici, pour la gouverne du comité, que si j'ai fait allusion à une conversation privée que j'ai eue avec M. Ouimet, c'est que je lui avais dit, alors, que j'en parlerais au comité, que j'apporterais les mêmes faits au comité, et je lui avais demandé s'il était prêt à me faire les mêmes commentaires qu'il m'avait faits alors, et c'est d'ailleurs ce qu'il a fait ici. Je ne voudrais pas que l'on pense que j'ai utilisé une conversation privée contre M. Ouimet, et dans toutes les observations que j'ai faites, il s'est montré extrêmement sympathique et très compréhensif.

The CHAIRMAN: On that beautiful note I think we had better adjourn.

Mr. CHOWN: I would like to ask a supplementary question which Mr. Ouimet might take as notice. Would it not simplify completely this whole situation if the employees of the C.B.C. were brought under the Civil Service Act?

Mr. OUMET: The answer is no!

The CHAIRMAN: I think that is the right answer, too.

The committee adjourned.

## APPENDIX "A"

## OPERATING EXPENDITURES BY LOCATION

1959-60

(In thousands of dollars)

<i>Location</i>	<i>Operating Expenditure (Net of Depreciation, Payments to Private Stations &amp; Commissions) \$</i>
Head Office .....	4,290
National Engineering .....	1,051
Northern and Armed Forces .....	491
<i>Newfoundland</i>	
St. John's .....	521
Corner Brook .....	122
Gander .....	54
Grand Falls .....	80
Total Newfoundland .....	777
<i>Maritimes</i>	
Halifax .....	2,844
Sackville .....	102
Sydney .....	106
Moncton .....	207
Total Maritimes .....	3,259
<i>Quebec</i>	
Montreal .....	25,571
Quebec .....	316
Chicoutimi .....	151
Total Quebec .....	26,038
Toronto Area .....	32,556
Ottawa .....	2,200
Windsor .....	158
<i>Prairies</i>	
Winnipeg .....	3,937
Edmonton .....	162
Regina .....	205
Calgary .....	334
Total Prairies .....	4,638
<i>British Columbia</i>	
Vancouver .....	3,897
Prince Rupert .....	76
Total British Columbia .....	3,973
Foreign Offices .....	288
Sub-Total .....	79,719
International Service .....	2,315
GRAND TOTAL .....	82,034



THE FOLLOWING IS AN ENGLISH TRANSLATION OF THE  
DELIBERATIONS CARRIED ON IN FRENCH ON THIS DATE.

(Page 510)

Mr. TREMBLAY: Mr. Ouimet, have you ever received any protests? Have you, personally, ever received any protests from writers whose scripts have been regularly turned down?

\* \* \*

(Page 518)

Mr. TREMBLAY: Mr. Chairman, I have a few questions to ask Mr. Ouimet concerning participation by C.B.C. staff in public affairs. We have an item here which mentions "staff participation in public affairs".

\* \* \*

(Page 519)

Mr. TREMBLAY: Mr. Ouimet, I believe it was said that you gave, on the authority of the Corporation's regulations, a slightly restrictive interpretation to that expression "staff participation in public affairs".

I should not like the real problem underlying this item, as it is stated here, to be eliminated. There are different ways of taking part in public affairs. What I have in mind is this: Does the C.B.C. take all necessary precautions to prevent certain persons from using their freedom, as occasional employees of the corporation, to serve the purposes of political propaganda?

I shall refer shortly to a specific example about which I spoke to you earlier and in which you were interested.

With your permission, Mr. Chairman, I shall give you an example about which I have already spoken privately to Mr. Ouimet.

There is a program on the French television network called "Opinions", the moderator of which is the wife of an officer of the Liberal federation. Now, some time ago a member of the provincial government was invited to that program—while he was still a tyro minister—to give his opinion on the art of governing. Do you not see in such a step a danger, specifically, of using for political purposes certain advantages which are left to occasional employees or what you call in your terminology free-lance performers?

Mr. PICKERSGILL: A danger for whom?

\* \* \*

(Page 520)

Mr. TREMBLAY: Mr. Chairman, I wish to call attention to some of the remarks which Mr. Ouimet has just made.

I have not the least intention of maintaining that because such and such a person is related to a prominent member of a political party his qualifications as an announcer or something else are diminished. But I believe that in the case I mentioned we had a very strange coincidence, and the fact that the wife of a prominent member of the Liberal organization, a Liberal organizer herself, invited a provincial minister belonging to the Liberal party to comment on the art of governing when he had only just begun to administer public affairs, is a very strange coincidence indeed.

That is what I wanted to emphasize. And I am pleased to note that following the conversations I had with you, pressure has been brought to bear,

or at least word has been passed around in high places, to the responsible authorities, so that the balance has been restored to the program, so to speak, by inviting a prominent personality from another political party. I do not believe that those responsible for the program had intended to do this, because according to the guest list which I saw, which was shown to me by a responsible person in the C.B.C. there was no intention at all of inviting a prominent person from the other party as you have just mentioned.

\* \* \*

(Page 521)

Mr. TREMBLAY: Mr. Chairman, I should like very much to explain here, for the guidance of the committee, that if I have referred to a private conversation which I had with Mr. Ouimet, it is because I had told him at the time that I would speak about it to the committee, that I would lay the same facts before the committee. I asked him at that time if he was prepared to make the same comments which he made to me then, and that is what he has done here. I would not like people to think that I have used a private conversation against Mr. Ouimet; in all the remarks I have made he has showed himself extremely sympathetic and understanding.

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HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

LIBRARY  
MAY 21 1961  
UNIVERSITY OF TORONTO  
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

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THURSDAY, MAY 11, 1961

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**WITNESSES:**

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. H. G. Walker, General Manager, Network Broadcasting  
(*English*).

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

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*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, May 11th, 1961.

(23)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Chown, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, Mitchell, Pickersgill, Pratt, Regnier, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Tremblay, Webb.—(19).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. Ronald C. Fraser, Vice-President, Corporate Affairs, Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. R. E. Keddy, Director of Personnel and Organization; Mr. C. B. McKee, Director of Industrial and Talent Relations, and Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

The Chairman reported on behalf of the Subcommittee on Agenda and Procedure that the production before the Committee of the names of script writers and the costs and the names of artists who appear on the Canadian Broadcasting Corporation and the fees paid to them for such appearances had been considered, and the Subcommittee was of the opinion that it would not be in the public interest to divulge such information.

Mr. Pratt moved, seconded by Mr. Chown,

That the representatives of all the talent guilds or unions, including the Canadian Council of Authors and Artists, the Association of Canadian Radio and Television artists, and their French speaking counterparts, be called to appear before this Committee to clarify various aspects of broadcasting which relate to their particular fields of action.

Considerable discussion took place on the proposed motion of Mr. Pratt.

Hon. Mr. Pickersgill moved, seconded by Mr. Fisher,

That this motion be considered this day one month.

And the question having been put forthwith on the proposed amendment of Mr. Pickersgill, it was, on a show of hands, resolved in the negative on the following division: Yeas, 4; Nays, 11.

After further discussion thereon, at the suggestion of Mr. Lambert, and Mr. Macdonnell, the proposed motion of Mr. Pratt was, with consent, modified to include the following addition: "Subject to the Steering Committee having determined the balance of the year's agenda."

And the question having been put on the proposed motion of Mr. Pratt (as modified) it was, on a show of hands, resolved in the affirmative on the following division: Yeas, 14; Nays, 1.

Mr. Tremblay abstained.

Mr. Horner (*Acadia*), moved, seconded by Mr. Chown,

That the Committee sit from 2.00 to 4.00 o'clock in the afternoon of Tuesdays and Thursdays in addition to the morning sittings already planned.

After discussion, and the question having been put on the proposed motion of Mr. Horner (*Acadia*) it was, on a show of hands, resolved in the negative on the following division: Yes, 8; Nays, 9.

Mr. Smith (*Simcoe North*) moved, seconded by Mr. McEwan, That the Subcommittee arrange for longer hours of sitting as soon as possible.

After discussion, and the question having been put on the proposed motion of Mr. Smith (*Simcoe North*) it was, on a show of hands, resolved in the affirmative on the following division: Yes, 11; Nays, 4.

The Chairman announced that the following documents had, since the last sitting, been delivered to each Member's room.

- (a) Miniature Annual Report: 1959/60 (English and French.)
- (b) Budget Statements.
- (c) History & Development of the National System
- (d) CBC Times (Eastern) March 25-31 (English and French)
- (e) "Big Business" transcript
- (f) "The Face of Labour" transcript
- (g) CBC News—20th Anniversary booklet.
- (h) Writers' Market Information.
- (i) National Program Order
- (j) Northern Service Program Guide
- (k) CBC Farm & Fisheries Program:
  - (i) "The Sixties—Decade for Planning"
  - (ii) CBC Farm News.
- (l) School Broadcasts
  - (i) Young Canada Listens
  - (ii) Canadian School Telecasts
- (m) Concours de la Chanson Internationale

The following returns were tabled by the Canadian Broadcasting Corporation:

- (1) Statement on how a television program comes into being. (As requested by Mr. McCleave on May 2nd). (*See Appendix "A"*).
- (2) Return in connection with CBC employees receiving annual salaries of \$10,000 or more. (As requested by Mr. Chown on May 9th). (*See Appendix "B"*).
- (3) Copy of a typical agenda of the Board of Directors of the Canadian Broadcasting Corporation, namely, the 15th meeting of the Board on February 14-16, 1961, with copies of the associated committee meetings. (As requested by Mr. Chown on April 13th). (*See Appendix "C"*).

Copies of these were distributed to all Members present. However, it was agreed that the said returns be appended, as above indicated, to the printed report of today's proceedings.

The Committee resumed from Tuesday, May 9th the adjourned inquiry into the affairs of the Canadian Broadcasting Corporation.

Mr. Ouimet was recalled. Captain Briggs, Messrs. Carter, Fraser and Walker assisted during the interrogation of the main witness.

Parts of the routine proceedings and examination of witnesses were conducted in French.

And the examination of Mr. Ouimet and others still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m., the Committee adjourned to meet again at 9.30 o'clock a.m. Tuesday, May 16th.

Antoine Chassé,  
Clerk of the Committee.



## EVIDENCE

THURSDAY,  
May 11, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman and gentlemen. We now have a quorum and the meeting will come to order. There were two questions asked at the last meeting calling for the production of papers, one by Mr. Tremblay who sought the names of script writers and their costs, and one by Mr. Pratt asking for the production of the names, of those artists who appear on C.B.C., and for their fees.

The subcommittee has just met and decided that this is a question which cannot be taken up, or should not be taken up by the committee at this time, from the point of view that it exposes to the public view the fees of independent artists, most of whom are actually free-lance performers and in actual competition with each other in the art field. That was our unanimous feeling in the subcommittee. Are there any questions?

Mr. PRATT: If we cannot have that information in public meeting, would it be possible for the committee to be provided with it in camera?

The CHAIRMAN: The same decision was arrived at. We went over your objections, Mr. Pratt, regarding the usefulness of such information and we felt if it were produced then it would remain as a matter of judgment for the committee as to whether a certain artist was worth his fee or not. The members of the subcommittee felt we are not competent to judge such a matter.

Mr. PRATT: I have already expressed on the record that certainly I have no interest in judging the qualifications of this talent, but I fail to see how the committee can carry on its work usefully without the production of this information, as we have been discussing matters of concern to Canadian talent employed in the broadcasting industry.

I should now like to move:

That the representatives of all the talent unions, guilds or including the Canadian council of authors and artists, the association of Canadian radio and television artists, and their French speaking counterparts, be called to appear before this committee to clarify various aspects of broadcasting which relate to their particular fields of action.

I should like to make that motion now.

Mr. FISHER: May I speak to the motion?

The CHAIRMAN: It has not been seconded. Is there a seconder for it?

Mr. CHOWN: I shall second it.

The CHAIRMAN: You wish to say something, Mr. Fisher?

Mr. FISHER: This motion raises the question of what we are going to cover during this parliamentary session and, unless we can come to a hard and fast schedule, devoting one or two more meetings to the C.B.C., I cannot see how we are going to complete what we started out to do at the start of the session. From our past experience, I think it is time we forgot about not trying to finish the schedule and I should like to put it strongly on the record that if calling these unions means not having the B.B.G. back here or the private broadcasters, then I am very much against it, unless I can have some kind of assurance from the chairman and other members of the committee that we will have the B.B.G. and the private broadcasters back.

Mr. PRATT: We have already heard from these other organizations and I think it is only fair to these unions and guilds that their members be also heard.

Mr. SMITH (*Calgary South*): I do not see any contradiction between either argument, with the possible exception we are going to have to work longer and harder. I admit that in the steering committee I was one of those who was in favour of deferring extra meetings because at that time I had not an opportunity to look at the full agenda. However there is obviously a demand now for these people and I see no objection to calling them. I would hope, however, Mr. Pratt would not want to call as many as he suggested in his motion because, as Mr. Fisher pointed out, we have a lot of hard work ahead and I think we shall have to consider extending our sittings in the afternoons. One of the main things we have to deal with is the overall cost of the corporation in relation to the value received and, therefore, I would hope Mr. Pratt would modify his motion so as to call only the key people.

Mr. PRATT: That is all I did suggest, to call the representatives of the artists unions.

Mr. PICKERSGILL: I should like to say I have no objection to these people being called, if time could be found but, by time being found I do not mean sitting longer hours. It is quite impossible for any person to take his duty in this committee conscientiously, doing his work in the house, with the hours we are sitting at the present time. I admit there may be occasions when it may be necessary to telescope some of these meetings. Unless there is going to be some self restraint in this committee, and unless we are going to deal with the big things and stop dealing with trivialities, we are never going to accomplish anything.

When we think over the years since 1921, since the committee on the C.N.R. started to meet, we remember that it has been possible to dispose of the affairs of that great corporation in two or three days of that committee. I think of the amount of time and energy of the members of the higher administrative staff, the chief executives of the C.B.C., that we are absorbing here when, in fact, the treasury is contributing at the present time more to their operations than it is to the C.N.R., and when they ought to be spending their time directing the corporation and not answering endless trivial questions about things which parliament has decided the board of directors of the C.B.C. could deal with, and which it was not for parliament to deal with. It seems to me that a few members of this committee are taking the view that this committee was set up to substitute itself for the board of directors of the C.B.C. I do not have that view. I have the view that this committee is supposed to review the work of the directors, and not to attempt to run the administration or to go into all the details of the administration. Now, admitting at once that if there is an occasional sore spot here and there, it is worthy of being probed, the idea that we should go over all the details of the operation is just ridiculous. It is a misuse of the time of parliament, and a misuse of the time of the committee. To add to our program as Mr. Pratt has now suggested, while I do not object in principle, on top of the way in which the committee is being conducted at the present time, would only be just to make us ridiculous.

The CHAIRMAN: That is your opinion, anyway, Mr. Pickersgill.

Mr. CHOWN: I was about to ask Mr. Pratt if he would give us in a capsule a brief summary of the type of information which he seeks from these people. We would like to know what he has in mind.

Mr. PRATT: It is not only a question of knowing what we would seek from these people, but these people may have ideas of their own which they would like to put on record before this committee.



Mr. MACDONNELL: Having regard to what has been said already, while I would like very much to go along with Mr. Pratt's resolution, I feel that, having regard to what Mr. Fisher has said, and what Mr. Pickersgill has said, we are in great danger of coming to the end of our time and finding we have missed the bus. That leads me to make this suggestion, that we ask the committee to look straight down the alley and pick out the things which they think are absolutely essential, and tailor our time accordingly. There is the danger, as Mr. Pickersgill has said, that we might deal with things which are not so important. We should have adequate time so that we can do our best to reach a conclusion on the question of capital expenditure, for example, which runs into many millions. That is one point on which I certainly would like to feel that I will reach some opinion, for what it is worth. Without committing ourselves to further details, would it not be possible for us to ask the committee to give us a picture as to how we are going to use the rest of our time?

Mr. SMITH (*Simcoe North*): Would it be possible to refer this to the steering committee and let the steering committee have a soul-searching meeting as to the program for the rest of this session, and then let us get on this morning at least with something useful.

Mr. PRATT: Certainly, that would be agreeable to me.

Agreed.

M. TREMBLAY: Monsieur le président, avant que l'on dispose de la motion de M. Pratt, j'aimerais bien faire remarquer que l'on ne semble pas se rendre compte au comité, particulièrement au comité directeur, que les députés ont des droits et que si les députés acceptent de siéger au sein du comité parlementaire, c'est parce qu'ils se reconnaissent un devoir à l'endroit des gens qui les ont élus.

A maintes reprises, en 1959, nous avons essayé d'obtenir des renseignements d'ordre factuel, qui nous eussent permis de nous rendre compte et qui auraient surtout permis au public de se rendre compte de l'utilisation des deniers publics.

Maintenant, nous avons, lors de la dernière séance, acquis certaines informations pertinentes aux cachets qui sont payés aux artistes et aux écrivains qui alimentent la Société.

Nous ne demandons pas ces informations, simplement pour la satisfaction, un peu morbide, de savoir combien reçoit M. X ou Mlle Y, mais nous voulons obtenir ces informations parce que nous avons le devoir de rendre compte aux citoyens, qui nous ont élus, de l'administration d'un service du gouvernement.

J'estime que c'est porter une très grave atteinte au principe du gouvernement responsable que de faire en sorte qu'une société de la Couronne garde confidentiels des faits pertinents à des actes d'administration publique. Personnellement, j'ai déjà exprimé mon avis à ce sujet; je suis absolument en désaccord avec les décisions qui ont été rendues dans le passé et toutes les décisions qui, éventuellement, pourront être rendu dans même sens.

Mr. PICKERSGILL: I would like to make a comment on the point raised now by Mr. Tremblay. It is this: I was a member of the government—I expect confidently to be a member of the government again—

Mr. PRATT: This is the kind of thing that is wasting our time every day.

Mr. PICKERSGILL: I prelude my main observation with that observation. I stand on precisely the ground laid down by Mr. Arthur Meighen in 1921 with respect to the operation of public corporations. If we are going to have public corporations engaged in the field of activities where private corporations also are engaged, and if there is to be any possibility of their carrying on with



the same degree of efficiency, they must be permitted to carry on under the same terms. That principle was laid down by Mr. Arthur Meighen, as some members of the committee will recall, over the C.N.R. in 1920 or 1921. It has been adhered to by every government ever since that. It has been adhered to with reference to every other public corporation since that time by every government. It seems to me that if the committee should seek to overthrow that well established principle, it would be a very dangerous thing to do indeed, if we are to have any sensible operation of our public affairs.

Mr. SMITH (*Calgary South*): I find myself much in agreement with Mr. Pickersgill—not that it is important up to a point—but I get a little tired of the lectures given here in the committee. Each of us have rights here, and I think we are concerned about them. This is the concern of the majority. We have a great opportunity, in regard to the whole future of broadcasting, in this committee to make some concrete decisions, and I think the only difference my friend and I have is that we have to place some priorities as to what is of major importance and what is of lesser importance. If that were referred to the steering committee, to reach a conclusion upon it, I think it is their responsibility to do so.

Mr. PRATT: I think we should get on with today's business, but I would like to be allowed one closing remark. If we decide to set aside the representatives of talent, I think the committee will be setting aside a rather indispensable group, the group on which we base the sale of these programs. That consideration should be carefully studied by the committee before taking any action.

The CHAIRMAN: Actually, we have a motion before us to call them in. It can be voted upon.

Mr. SMITH (*Simcoe North*): We have accepted the motion.

Mr. MACDONNELL: Will you please state it?

The CHAIRMAN: The motion is:

That the chiefs of the talent unions, representatives of Canadian authors and actors be called before the committee.

Mr. MACDONNELL: I thought we were asking the committee to try to plan our time; and if that is not so, I would so move.

The CHAIRMAN: There is a motion by Mr. Pratt.

Mr. PRATT: Probably it would be simpler if we asked the reporter to read back the motion that I made.

The CHAIRMAN: That particular reporter has gone.

Mr. SMITH (*Simcoe North*): That is why I suggested that the motion be referred to the steering committee to try to allot the time.

The CHAIRMAN: Will you make such a motion?

M. TREMBLAY: Monsieur le président, est-ce que je peux parler sur cette motion-là? Je n'aime pas ce genre de procédure qui ne correspond pas du tout à l'esprit français. Chaque fois qu'au comité nous sommes en présence d'une difficulté, il y a toujours quelqu'un qui propose que l'on réfère le problème à un comité directeur. Si les membres du comité, comme tels, ne sont pas capables de prendre des décisions finales, il est inutile de s'assembler ici pour délibérer sur des faits d'administration.

Je propose que la motion de M. Pratt soit mise aux voix tout de suite.

Mr. PICKERSGILL: On a point of order, I do not think there is any such motion allowed under the rules of the House of Commons, so I think it is a little difficult for the honourable gentleman to make it. Under our rules, Mr.

Pratt has made a motion, and the committee can dispose of it, but it is not disposing of it by having another motion. If the honourable gentleman has some kind of an amendment to Mr. Pratt's motion that would be all right.

Mr. SMITH (*Simcoe North*): I suggested what I thought was a compromise, that Mr. Tremblay and Mr. Pickersgill could get on with the matter. We are worrying about the time taken, and how we are going to finish questioning the witnesses, but already this morning we have used up 30 minutes in what I would call ineffectual procedural wrangling.

Mr. PRATT: Is not Mr. Tremblay's motion for the previous question?

The CHAIRMAN: Did you wish to make an amendment?

Mr. PICKERSGILL: Mr. Smith cannot make an amendment. He has seconded the motion.

The CHAIRMAN: No, Mr. Chown did.

Mr. PICKERSGILL: I beg your pardon.

Mr. SMITH (*Simcoe North*): I will move an amendment, if I may.

The CHAIRMAN: What is the amendment?

Mr. SMITH (*Simcoe North*): My amendment is that Mr. Pratt's motion—

Mr. PRATT: Would not a vote be quicker?

Mr. SMITH (*Simcoe North*): —be accepted up to—

Mr. PRATT: Why do we not have a vote and stop the wrangling?

The CHAIRMAN: All in favour of calling these people,—when the time is available, of course?

Mr. MACDONNELL: Before you put that, I thought there was a general agreement here.

Mr. HORNER (*Acadia*): Let us put the question and get on with it.

The CHAIRMAN: All those in favour?

Mr. SMITH (*Calgary South*): What is the motion?

Mr. PRATT: I move:

That the representatives of all the talent guilds or unions, including the Canadian council of authors and artists, the association of Canadian radio and television artists, and their French-speaking counterparts, be called to appear before this committee to clarify various aspects of broadcasting which relate their particular fields of action.

Mr. PICKERSGILL: I would like to move an amendment thereto:

That this motion be considered this day one month.

—if I can have a seconder.

The CHAIRMAN: Will anyone second that?

Mr. FISHER: I second it.

The CHAIRMAN: All those in favour of the amendment raise their hand.

Yeas: four.

Nays: Eleven.

Amendment negatived.

Mr. LAMBERT: I would move an amendment to Mr. Pratt's motion, that is, I would add to his motion:

Subject to the steering committee having determined the balance of this year's agenda.

Mr. MACDONNELL: I second that.

The CHAIRMAN: Is that agreeable?

Mr. PICKERSGILL: I am quite prepared to support that amendment.

Mr. SMITH (*Simcoe North*): Are we going to have a speech?

Mr. PICKERSGILL: Is Mr. Smith suggesting that other members of the committee have no right to speak?

Mr. SMITH (*Simcoe North*): Perhaps Mr. Pickersgill would exercise some of the discretion he has been asking us to exercise for the last half hour.

The CHAIRMAN: The motion is before the committee. I cannot repeat it all, but I think you have heard it. All those in favour of the motion as modified?

Yeas: 14.

Nays: One.

Abstention: one—Mr. Tremblay.

Motion agreed to.

Mr. HORNER (*Acadia*): As we have a great deal of business to do, and with due regard to what the steering committee recommended recently, I would like to move that the committee sit longer hours and I would suggest that we sit on the same days, Tuesday and Thursday from 2 o'clock to 4 o'clock.

Mr. PICKERSGILL: I suggest that before another motion is entertained, we dispose of Mr. Pratt's motion.

The CHAIRMAN: It has been disposed of.

Mr. CHOWN: The chairman put the motion as amended.

Mr. PICKERSGILL: The amendment was not put.

The CHAIRMAN: Certainly it was. The motion as amended was put.

Mr. PICKERSGILL: How can you put a motion as amended before you put the amendment? We have rules which are supposed to be adhered to.

Mr. SMITH (*Simcoe North*): A motion, as I understand the procedure, can always be amended before it is put. It can be changed, if Mr. Pratt accepted the change.

Mr. PRATT: What is the change?

The CHAIRMAN: You heard it—subject to the steering committee having determined the balance of this year's agenda.

Mr. PRATT: It is acceptable to me as an addition to my original motion.

The CHAIRMAN: Is there a seconder for this motion of Mr. Horner (*Acadia*) to increase the hours of sitting?

Mr. CHOWN: I second it.

Mr. SMITH (*Calgary South*): Strictly as a matter of personal preference, rather than extending the session in terms of hours, I think we might have an additional day. It is not important; I agree with the principle of working longer hours.

Mr. HORNER (*Acadia*): We could work out the longer hours with the witnesses that are appearing before the committee at any time, but I would suggest that we go along with the motion to have the same days—in the afternoon.

Mr. DANFORTH: I think some consideration should be given to see whether or not, or to what extent this will interfere with other committees which are sitting.

Mr. PICKERSGILL: To say nothing of the House of Commons.

Mr. MACDONNELL: Is it not possible that the committee look at the task which is before it, in order to try to tailor the hours of our time? Could we at least not leave the question of recommending, or not recommending, the extension of hours, to the steering committee. They may come to a conclusion that they can cut them down. If they do not, it is very difficult.



Mr. HORNER (*Acadia*): This question has been discussed by the subcommittee already. The subcommittee sat and said there should be longer hours, perhaps two weeks from now. This motion, as I am putting it, says we should sit longer hours as soon as convenient, if not sooner. On Tuesday last we sat for an hour and a half before we had to go away to parliament. We were a half hour gone, we only actually sat for an hour. I am only saying that we should sit for longer hours to speed up the hearing of witnesses. For example, on Tuesday we had nearly done—in fact, last Thursday, a week ago, we had nearly done with personnel, the committee had nearly exhausted its questions on personnel, but there was a lay-over of three or four hours and, boom, everyone came up with a new set of questions on personnel. Then we had the Tuesday meeting on personnel and it was laid over until Thursday. I have a few more questions. Everyone is restocked with questions on personnel. This could go on, if we are going to sit only one hour every three or four days. It could go on and on all summer, mainly on personnel. In order to get done with the business, I suggest that this committee outline for itself such longer hours, and I suggest the very same days on which we are sitting now, as then we would have a certain amount of continuity and a better chance of getting through with the witnesses before the committee.

Mr. PICKERSGILL: I suggest that this motion is one of a want of confidence in the steering committee.

Mr. HORNER (*Acadia*): Call it whatever you like. This committee rules what happens in this committee, not the steering committee. This committee has power within itself at all times to overrule the steering committee and this is in a sense what I am suggesting we do.

The CHAIRMAN: May I put the question?

Mr. FISHER: I want to answer that—

Mr. HORNER (*Acadia*): That does not go over with me at all. The chairman has at times said he disagreed with the steering committee.

Mr. FISHER: I am prepared for self-sacrifice if it would let this committee move along. I did not ask a single question.

Mr. HORNER (*Acadia*): I did not say a thing in the first half hour of this one.

Mr. FISHER: I was agreeable to longer sittings if we could get through anything, but I cannot accept quite the view that Mr. Horner has, that these longer hours will get through things any better. For that reason I do not want to vote for the motion, but on the performance of the committee so far it seems to me that it is just hopeless. To come back to a point we were on earlier, I would like to point out again that some of us are not so interested in the C.B.C. as we are in the B.B.G. and private broadcasters.

Mr. HORNER (*Acadia*): We could have them back.

Mr. SMITH (*Calgary South*): I have a suggestion to make to Mr. Horner. Next week, obviously in view of many activities, there is not a great deal more work that we will accomplish, no matter how many times we sit or what longer hours. I would agree with the idea of sitting longer hours, but nevertheless the steering committee have been asked to have a new look at the whole change in the circumstances. Therefore, while I do not think there is any question, as I know the temper of the steering committee, but that we will sit longer hours, based on the ruling today, surely there is the principle of allowing this back for reconsideration.

Mr. PRATT: I hope this has convinced Mr. Ouimet that he is very lucky he does not have to deal with committees.

The CHAIRMAN: There is a motion made and seconded that this committee sit longer hours. All those in favour?

An HON. MEMBER: What was that motion again?

Mr. DANFORTH: Was there not a rider on that suggesting that it be from 2 o'clock to 4 o'clock?

The CHAIRMAN: The motion suggested was that the hours be from two to four on Tuesdays and Thursdays. All those in favour of this motion?

Mr. MACDONNELL: I am not quite clear on this. Are we now, first of all, asking the subcommittee to look at our proceedings, and second, adding four hours without any consideration by the subcommittee? Is that what we are doing?

The CHAIRMAN: No, we are considering a motion to sit longer hours on Tuesdays and Thursdays, from two to four. All those in favour raise their hands.

Yeas, 8; nays, 9.

The CHAIRMAN: The motion is negatived.

Mr. SIMPSON: I make the motion that the committee sit longer hours.

Mr. MACEWAN: It will have to be decided by the steering committee.

The CHAIRMAN: Mr. MacEwan seconded the motion made by Mr. Simpson. The motion now is just that we sit longer hours and is to be considered by the steering committee. All those in favour?

Yeas, 11; nays, 4.

The CHAIRMAN: I declare the motion carried.

There was some distribution of material from C.B.C. about a pound and a half of it.

On May 2 Mr. McCleave asked for a statement on how a television program comes into being. The requested report on the program he mentioned is tabled herewith in 50 copies in English. The French translation will be provided shortly.

On May 9 Mr. Chown requested a return in connection with C.B.C. employees receiving annual salaries of \$10,000 or more. The requested return is tabled herewith in 50 copies in English and 20 copies in French.

Some time ago, on April 13th, to be exact, Mr. Chown requested that a typical agenda of the board of directors be tabled. Accordingly, the agenda for the 15th meeting of the board on February 14 to 16, 1961, is tabled, together with copies of the associated committee meetings, all in 50 copies in English.

Is it agreeable that these be included as appendices?

Agreed.

(See Appendices "A", "B" and "C".)

The CHAIRMAN: Mr. Ouimet has several questions to answer.

Mr. OUIMET: At the last meeting Mr. Horner inquired about the engagement of Mr. Taillon for the Winnipeg rodeo and also for the Calgary stampede. We have looked into the circumstances of this engagement, and I would ask Mr. Walker, our general manager for the English language networks, to report.

Mr. H. G. WALKER (*General Manager, English Networks, Canadian Broadcasting Corporation*): Mr. Chairman, Mr. Taillon seems to be regarded in this field as the international expert, and it is for that reason that we employed him. Now, in so far as Calgary is concerned, he provided his own transportation—incidentally, his own private airplane—and for the Winnipeg rodeo he was part of the show; he was acting as the public address commentator, and as such was an expert on that show—very knowledgeable.

Mr. HORNER (*Acadia*): I want the costs of both those shows.

The CHAIRMAN: This cannot be given, actually.



Mr. HORNER (*Acadia*): I might point out that while a commentator has a few words to say, actually most of the action is in the arena, by the fellows who are doing the competing. The commentator just says a few words, and nine out of ten auctioneers in western Canada could have done just as good a job and gladly accepted similar money for doing it.

Mr. WALKER: Mr. Chairman, with respect, if we are covering a cattle auction, for instance—we have done it very recently for one of our farm programs—we employ auctioneer experts in this field, and we would have second thoughts about employing rodeo commentators.

Mr. HORNER (*Acadia*): I used the word "auctioneer" because in western Canada—in Alberta—there are approximately 50 stampedes and rodeos during the summer. In most cases an auctioneer handles the announcing, but not in all cases. There are plenty of expert rodeo announcers in Alberta particularly, and maybe in Saskatchewan also. I could list Warner, Cooper, Archie MacDonald and half a dozen others who could have done this job.

M. PICKERSGILL: Is this a commercial?

Mr. HORNER (*Acadia*): It is just the Canadian content of a program and the hiring of Canadian personnel.

Mr. OUMET: There was also a question from Mr. Chown regarding Mr. DePoe's recent trip to the Congo. This is also a matter which falls under the jurisdiction of our English language networks division, and I would ask Mr. Walker to report to the committee on this also.

Mr. WALKER: Mr. Chairman, we sent Norman DePoe to the Congo because, as most of you would agree, he is a skilled observer and reporter. The transportation was provided, at no cost by the R.C.A.F. The incidental expenses for his trip and his stay there amounted to something a little bit more than \$500. We asked him to, and he did, prepare a number of film stories. These stories will be used this Sunday, as a matter of fact. I would urge you to try to see our program at 4.30 to 5.30 this Sunday. This material is not available through the Canadian Press. They do not provide film coverage for us; they do provide and we subscribe to the service, as you are aware, our basic news coverage.

Mr. SMITH (*Calgary South*): May I ask a question of the witness? Personally I have no objection to Mr. DePoe going there, but I assume that were it not the Congo you would have obviously employed one of your stringers—one of your free lance people—to perform much the same function, but as yet you have not had time to get a stringer in the Congo? Is that roughly it?

Mr. WALKER: Are you speaking of stringer camera men?

Mr. SMITH (*Calgary South*): Or commentators. I am thinking of people such as Douglas LaChance in Paris.

Mr. WALKER: We cannot have him covering all these places at one and the same time, which it pretty well amounts to these days.

Mr. SMITH (*Calgary South*): What I think the committee is concerned about is employing staff located in one particular spot, namely Ottawa. Conceivably you might be able to use staff from some other area which is closer. Obviously for the Congo you did not have anyone you could use.

Mr. WALKER: That is pretty much it. Also, we had the opportunity of free transportation and so we took the opportunity of sending one of our skilled reporters to the Congo.

Mr. SMITH (*Calgary South*): Will we be getting the total cost for people serving abroad for the corporation, Mr. Oumet?

Mr. OUMET: We will.



Mr. CHOWN: Mr. Chairman, I want to ask if Mr. DePoe is an employee of the C.B.C.? Is he on salary from the C.B.C.?

Mr. OUMET: Yes. I am through with answering earlier questions, Mr. Chairman.

M. TREMBLAY: Monsieur le président, je désirerais poser à M. Ouimet une question reliée à celles qui viennent d'être posées.

Je voudrais savoir votre opinion sur la pratique suivie par la société Radio-Canada, en ce qui concerne l'utilisation de reporters, spécialement dans des régions ou dans des pays où la société a déjà une équipe? Pour rendre ma question plus précise, je voudrais rappeler à M. Ouimet, le cas qui a fait l'objet d'une question en Chambre, il y a quelque temps: le cas des émissions que l'on a réalisées sur l'Algérie, et pour lesquelles on a dépêché un commentateur spécial, alors que nous avions une équipe sur place, laquelle, d'ailleurs, s'était déjà rendue en Algérie au début de décembre. Alors, je me demande pourquoi on n'a pas utilisé les mêmes personnes.

Mr. OUMET: Mr. Tremblay, I have a problem in answering your question, because I do not know of anyone we already had there.

Mr. TREMBLAY (*Interpretation*): There is one in Paris.

Mr. OUMET: I see what you mean. You are speaking of our Paris correspondent. The difficulty is that so many activities have been taking place in Europe and in Africa that our regular correspondents were not able to handle the entire load, and we have had to send other people to take care of special assignments such as this one which, by the way, yielded very useful program material which has already been shown on both the French and the English network.

The CHAIRMAN: Before we go on, last time we had not quite completed personnel.

Mr. HORNER (*Acadia*): To follow up this idea of sending correspondents overseas, is it true that C.B.C. sent a free lance man by the name of Doug Collins to Cuba from Vancouver?

Mr. OUMET: May I ask the president to answer this question? I am sorry, I meant the vice-president.

Mr. W. E. S. BRIGGS (*Vice-President, Canadian Broadcasting Corporation*): Very quick promotion, Mr. Chairman.

Mr. SMITH (*Calgary South*): Are you getting tired of your occupation, Mr. Ouimet?

Mr. BRIGGS: Yes, Mr. Chairman, Douglas Collins did go to Cuba recently. It was at the very end of April, and he went there with a producer for a program which is going to be included in a series for "Intertel".

Intertel is an organization formed with the Australian broadcasting commission, Westinghouse, A.T.V., and ourselves, and the purpose behind this is to get out a series of programs which will be interchangeable. Canada's contribution, C.B.C.'s contribution, in the first series will be two programs, I think. It is out of a total of ten I believe—I will have to check that. This will get world-wide distribution. Now, that was the purpose of his going there—to do a preliminary survey on that. I might also say that he will be back there together with the producer later on.

Mr. HORNER (*Acadia*): Is it true that the C.B.C. also sent Stanley Burke over to do reporting in Cuba?

Mr. BRIGGS: This, I believe, is correct, sir.

Mr. HORNER (*Acadia*): And you felt it was necessary to send him over at different times—necessary to hire two persons to do this?

Mr. BRIGGS: Quite so—otherwise they would not have been sent.

Mr. CHOWN: I have already asked for the return of the number of people who travelled out of Canada during a certain period. I presume this information is being obtained.

Mr. OUMET: We are working on this. Many of your questions which you have asked recently involve a great deal of analysis of our records.

Mr. CHOWN: I will not hasten you again; I was just curious to know. Mr. Chairman, I was looking at the staff distribution, radio and integrated services return which was brought up to date and filed in an appendix to the evidence, and I was noting that under the second item—program—there is a new room staff of 76. Then under the sixth item—information services—there are a variety of classifications totalling 224. Then on page 2 under the free news there is a total staff of 109. Across, in column 2—international services—there is a total staff of 7. All these total 416. Now the question arises in my mind, notwithstanding the fact that your mandate calls for heavy emphasis on the distribution of news gathering and collating and giving of information, this seems like a tremendous number of bodies distributed through the corporation that are dealing with information services, public relations programs, T.V. and radio, amounting, as I said to 416. Would the president be prepared to make a comment in that?

Mr. MARCEL CARTER (*Vice-president of Administration, Canadian Broadcasting Corporation*): As far as news service is concerned, sir, I should point out that we have in each region a news room both for radio and television. If all the news emanated from one location only, we would require less staff. But we have to take into account that the activities of the news service are spread from Vancouver to Newfoundland and that local and regional news is put out.

Mr. CHOWN: Would you be prepared to tell me how many C.B.C. staff of this nature are sitting in this room covering this committee?

Mr. CARTER: I could not tell you.

Mr. CHOWN: There is a gentleman over here—is he a C.B.C. employee?

Mr. OUMET: This gentleman is a C.B.C. employee who is not attached to our news services. The only person attached to our news services is Mr. Calder, who is behind you.

Mr. SMITH (*Calgary South*): As I understood Mr. Chown's question, he is not so much concerned with the news staff as the vast array of public information and public relations officers that the staff has, which seems rather large in view of the fact that, after all, this is a media service. It seems a bit surprising that such a substantial staff is required when you are actually in business as a news vehicle or public relations vehicle. In terms of this staff, is it not somewhat larger than you would use in a commercial operation?

Mr. OUMET: I do not believe so, Mr. Smith. I think the reason for this misunderstanding is the fact that we group under information services a variety of things other than public relations, and I would ask Mr. Fraser, who is in charge of that department and others, to expand on this.

Mr. SMITH (*Calgary South*): Could I put the question to Mr. Fraser: do you need all these men to publicize the operation when you have the vehicle of television and radio to do this?

Mr. R. FRASER (*Vice-President, Corporate Affairs, Canadian Broadcasting Corporation*): There is a total given under information services of 224. Of that number you will note that there are 53 assigned to the information bureau and receptionists. There are an additional 82 who are largely clerical staff. Over half the number are engaged in routine which you could not call publicity.



We carry on, for example, audience relations. The corporation gets over two million letters a year—these must be handled. We have receptionists at each point. There are over half a million phone calls a year. There are a great many services carried out apart from publicity.

Mr. CHOWN: Following up the question which I asked, I would like to know what this gentleman over here is doing in the corner and why it is necessary to have two men on the C.B.C. staff covering the committee's meetings when they are pretty adequately covered by other members of the press?

Mr. FRASER: Mr. Chairman, in due deference to the press, I would not entirely agree with that. There was the case of a story early this week in one of the local papers which was not entirely accurate, as I think members of the committee would agree. We have found it most useful in cases of the committee's hearings to provide our own coverage for the information of our own people as part of our staff communications program.

Mr. CHOWN: May I ask one other question, Mr. Chairman? Then I am through. Have there been any increases in pay or wages given at any level in the corporation by way of reclassification of personnel in order to bring them into a higher bracket?

Mr. SMITH (*Calgary South*): Could I deal with one question before the witness sits down? Could you give us a breakdown of those people engaged in the information services? Could you tell me the actual volume of numbers of people who are engaged in straight promotional work. I am not talking about receptionists, secretaries and so on.

Mr. FRASER: Yes, the total number engaged in what you call publicity, Mr. Smith—

Mr. SMITH (*Calgary South*): Or public relations.

Mr. FRASER: It would be 81, and of that number 25 would be clerical staff. There would be about 50 publicity officers. I think, to make this clear, I should add that the corporation does not operate an information service, a publicity service or a public relations service in the same manner as a commercial operation. We do not make shoes, we do release 100,000 custom made programs per year and it is necessary for our publicity people to deal in some measure with each of those 100,000 programs a year. It is necessary for them to carry on a service in the French language, a service in the English language, to service five national networks and also to provide regional and local services.

Mr. SMITH (*Calgary South*): This is misleading. They do not carry their services. In the business of publicity how many press officers has Imperial Oil by comparison? It would be a fraction of the total number you are carrying.

Mr. FRASER: I think the purposes are entirely different. I think we have such a tremendous volume of information to provide, which is not only of our own volition but requested by the press all across Canada, that you could not possibly compare the two types of operations—they are vastly different.

Mr. SMITH (*Calgary South*): We are in honest disagreement.

Mr. OUMET: I would like to add something to what Mr. Fraser said. I think in my opening statement at the first sitting, I mentioned that the C.B.C., after the government itself, was the most talked about, editorialized on, written about corporation in the land, for the very good reason that there is no other corporation which serves so many of the public so many hours of the day, and the public is interested in getting from the C.B.C. information about its programs on a regular basis. That alone requires a great deal of work and a great deal of staff, simply to supply the press of the country with the information regarding our programming. I think that is where the corporation is in an entirely different position to any other corporation you may wish to speak of.



Mr. SMITH (*Calgary South*): I propose to take this up under "cost" again.

Mr. OUMET: I would also like to mention to you that this matter was very fully considered and inquired into by the Fowler commission. The Fowler commission in its report did not take the corporation to task on any points but it did on one at least, and that was that we did not do enough publicity about the corporation, that we were not aggressive enough about letting the public know about our work and that we were not aggressive enough in refuting the many attacks made on the corporation.

Mr. CHOWN: This refers to the mandate set out in the Broadcasting Act:

29. (i) collect news relating to current events in any part of the world and in any matter that it deems fit and to establish and subscribe to news agencies.

This is the mandate that is covered by my original question. But I want to pursue the other question: have you at any time created new classifications that would permit a pay increase to an agitated employee, or has this means been employed to increase pay given to any employees in the C.B.C. as a result of pressure?

Mr. OUMET: Mr. Carter will answer the question.

Mr. CARTER: What do you mean by "pressure"?

Mr. CHOWN: I simply mean by that the threat of personnel in technical classifications, perhaps that they will leave your corporation to go and work in private industry, and for reasons of their talent you are anxious to keep them. You cannot do it within their named classifications, so that the only way you can do it is to change the classification and increase the pay.

Mr. CARTER: I would like to point out, Mr. Chairman, that the classifications of 5,000 of our employees are covered by negotiations with the unions. We negotiate with the unions and the unions make representations to the corporation. Sometimes we have to go pretty far before we arrive at an agreement. We have gone through the conciliation boards to get the assistance of their conciliation officers. We have finally succeeded in concluding agreements without strikes. I would suggest that classification is a proper thing when the responsibility of the individual changes with the growth of the corporation. The responsibilities of an individual might change on the recommendation of the supervisor and the director of the area concerned. These cases are reviewed by the appointments committee, of which the membership has been given you, and if it is considered justified, the committee recommends to the executive the reclassification of the position.

Mr. OUMET: I think the answer to your question, Mr. Chown, is no.

Mr. CHOWN: You all know what I am trying to get at here. What I do have obviously is a list of the classifications, but perhaps it will be interesting to know how many you have and not have all the nomenclature for each classification. You would then have a description of the duties that are entailed under each of those classifications. Then when you are advertising to fill a position within or outside the corporation, those terms of reference or descriptions of duties are probably included in your advertisement. What I am trying to get at is that you have now admitted to the committee that you do review through appointments certain positions that are given a name, a descriptive name. Is the name changed by the appointment committee because of an increase of responsibility so that a person can get a higher pay but the lower classification remains in order to recruit people at a lower cost from within the corporation or outside?

Mr. CARTER: The classifications exist in most cases. If the responsibilities of individuals change we have to be dynamic and in certain cases we will

create new positions, new classifications, if this is not covered by the nomenclature we have here. We have, by the way, 500 classifications already.

Mr. CHOWN: Could you produce to the committee—and I do not think it would be difficult, it could be done readily—the number of classifications made out in 1952—was it 1952 you started—and in each year the number of classifications you have had, forward to the present time?

Mr. CARTER: We have eleven agreements with the unions in which we have different sets of classifications in each one. I do not believe we have enough copies of the agreements to distribute, but we could file some with the committee.

Mr. CHOWN: I just wanted the total numbers.

Mr. OUMET: Could I add to what Mr. Carter has said. I would like to make it clear to the committee that we do not create new classifications in order to take care of a salary problem of an individual. The individual must stay within the salary range provided by classification. However, with the progress of the corporation, with its development particularly since 1952, some of the responsibilities of particular positions have increased over the years and there have been changes of classifications and also changes, of course, of the salary range to go with that. Salary increases are one thing, and reclassification is an entirely different process.

Mr. CHOWN: If I can have that information, I would like to know what numbers of classifications there were in each year from 1952 forward.

M. TREMBLAY: Monsieur le président, je voudrais poser une question à M. Carter, qui a parlé de la classification des employés et de l'effort que fait Radio-Canada pour rendre justice aux individus.

Pourrait-il m'expliquer quel est le genre d'examen que fait subir la Société à l'employé qui désire obtenir changement de classification?

Mr. CARTER: Mr. Chairman, I would like to make one point clear. Do you mean reclassification of an individual who will remain in the same position?

Mr. TREMBLAY: No, promotion.

Mr. CARTER: If you talk about promotion, that means he would come from one position to another. In that case, any vacancy that occurs is advertised—regionally or nationally, dependent on the classification of the position. Now, we receive applications from the employees. These applications are referred to the supervisor who may, and probably will, interview the applicant to determine what his background experience, both inside and outside the corporation, has been. He will consult the present supervisor of the employee to get a report on his performance. On the basis of the information he is able to gather, a recommendation will be made. This is reviewed by the personnel office in the region before it is passed on to us.

M. TREMBLAY: Une question supplémentaire. Vous avez parlé d'une entrevue du candidat avec le superviseur, avec les personnes qui sont censées s'occuper de la promotion. J'ai ici un cas bien particulier où, au cours de l'entrevue que l'on a accordée à un candidat désirant obtenir une promotion, la seule question qui lui ait été faite fut la suivante: Qu'est-ce que vous pensez de Radio-Canada? Qu'est-ce que vous pensez de cela?

Mr. CARTER: I would be interested to know what that case was. I am entirely unfamiliar with it. If you would give us the case, we would be glad to investigate it.

Mr. TREMBLAY: I have a complete file on it.

Mr. HORNER (*Acadia*): I have a further question. On the untimely and very tragic death of Jack Kane, has that show "Music Makers" gone out of its



way to seek a Canadian replacement for this particular person, or have they hired United States talent to replace it?

Mr. WALKER: We have not hired talent. We chose a conductor behind the camera at the present time, and next season we will be making new arrangements.

Mr. HORNER (*Acadia*): Is it not true that you had guest stars, or guest M.C.s, since his death, to take his place, from the U.S.?

Mr. WALKER: Since the beginning of the season. This is part of a package program under controlled circumstances where we bring in stars and guests.

Mr. HORNER (*Acadia*): C.B.C., I understand, maintain a London office. What is the total staff there? Is it larger or smaller than corresponding offices from the networks in the United States and from other broadcasting firms outside of Great Britain?

Mr. OUMET: We can look into this and give you the answer in a minute.

Mr. HORNER (*Acadia*): If you have not got it there now, I have one further question under personnel. Is it true that sometimes when a distinguished guest is brought to Toronto from Great Britain or the United States, C.B.C. offer contracts in night clubs in Toronto, or night clubs in Toronto contact the C.B.C., to help pay for the total expense of bringing this star, or whatever you want to call him; and you have a show with him, and the night clubs also use him for the week, or the day, or the night. Do they get together on that matter?

Mr. OUMET: Night clubs are the domain of Mr. Walker.

Mr. WALKER: Yes?

Mr. HORNER (*Acadia*): Do you contact the night clubs, or do the night clubs contact you?

Mr. WALKER: I do not know of any case where we have had a night club contact us. I do not know of any case. We take advantage of any international circumstances where stars are in the city and therefore the cost is not as great as if we were bringing them a long distance.

Mr. PRATT: Am I to understand that no talent agency of any of these importees, or no agency, has contacted C.B.C. to try to get extra work for the talent while in Canada?

Mr. WALKER: I said I do not know of any case. It is possible. I do not know. The usual practice is for us to contact the club or auditorium importing the stars so that we can take advantage of them while they are in the city. There may be cases otherwise.

Mr. SMITH (*Calgary South*): I have one supplementary question, and the answer may be a simple one. Mr. Ouimet, you have indicated that the corporation is a very much misunderstood institution. Therefore you have recommendations that you require a great deal more publicity than in the past. You have 50 able-bodied people doing this. There are considerable numbers of these. We have half of them here. Are there a great many more you have who carry out these same functions? I have an interesting document here, a speech which I believe you, sir, made yourself. Do you publish more? Is there other material which covers the same function?

Mr. OUMET: As far as speeches are concerned—

Mr. SMITH (*Calgary South*): Not just speeches,—pamphlets.

Mr. OUMET: —this was the only one published this year. As far as other material is concerned, of course, we have in the package which we submitted to you, weekly issues of the Program order in the *C.B.C. Times* and *La Semaine*. Then the other things were, I believe, in the English language,



the only ones that we had at the moment, but over the years we have of course had quite a number of others. Mr. Fraser could probably complete my answer.

Mr. FRASER: They fall into a variety of categories. There are some publications which information services handle, which serve other departments. There are some which are put on sale and offered to the public for sale, and on which we do fairly well. There are others used for publicity purposes.

Mr. SMITH (*Calgary South*): Thank you. What is the paid circulation of the *C.B.C. Times*?

Mr. FRASER: Around 52,000.

Mr. SMITH (*Calgary South*): In regard to this misunderstanding, perhaps it might occur to the corporation that in their policy management decision, a correction could be made at the top rather than having all this material to correct the mistakes in policy management.

Mr. OUIMET: This is always possible, but the Fowler commission do not seem to agree with your position.

Mr. CHOWN: May I point out what is set out in the mandate given to the corporation by the act:

(h) publish and distribute, whether gratis or otherwise, such papers, periodicals and other literary matter as may be conducive to any of the objects of the corporation.

M. TREMBLAY: J'aurais une question supplémentaire, monsieur le président, à celle que je posais il y a quelques instants. M. Ouimet pourrait-il nous dire quelles sont les directives que reçoivent les envoyés de Radio-Canada en ce qui concerne leurs relations avec nos ambassadeurs à l'étranger? Parce que j'ai à l'esprit un cas bien précis, où un ambassadeur m'a déclaré qu'un envoyé de Radio-Canada, chargé de faire enjuête dans un pays déterminé, avait refusé de requérir les services de l'ambassade, ce qui lui aurait permis d'avoir une source plus complète d'information.

Mr. OUIMET: Our directives are very simple. We tell our people to do as objective a coverage as possible of the event or activity that is supposed to be the subject of the program; and we tell them also to be civil and have good manners with any of the people of the country which they visit.

Mr. TREMBLAY: I hope so.

Mr. FISHER: On personnel could you demonstrate, Mr. Ouimet, how the ordinary job applicant of the C.B.C. is interviewed and assessed and either hired or ignored on his individual merits, and not blocked off by another kind of job seeker who has got in with either management, or through the union structure, or through some priority?

Mr. OUIMET: We have definite ways of making sure we get the best we can. I will ask Mr. Carter to explain.

Mr. CARTER: First of all, I would like to mention that the C.B.C. maintains an open-door policy. It has been our practice to interview at all times applicants seeking positions with the corporation. These candidates are in many cases interviewed first of all by our personnel officer, or by the personnel office which we maintain at all locations. In smaller locations the station manager performs that function. The applicants are interviewed. Their qualifications are discussed and the applications are maintained on file. When there is a vacancy we try wherever possible first to promote within the ranks, if there is a qualified employee on staff. If we cannot secure some one to fill the job from within, we will go to our file of applicants and this will be referred to the supervisor concerned, and the supervisor and the personnel officer make the decision and recommend the appointment of the candidate they feel is best qualified.

Mr. FISHER: Could I give you an example which is not a hypothetical one? There was a woman in Ottawa who applied for a job as script assistant several years ago. She was told they would get in touch with her at her interview. She called back every couple of months for two years, but never received any reply. On a social occasion she met a local producer and said she had worked in private broadcasting in another city and she found it was very hard to break into the C.B.C. The producer said: "Well, what have you done?" She said: "I have been at the employment office and had an interview, and my application is on the file." He said: "Well, if you have been around private broadcasting, I thought you would have more sense than that; give me a telephone call next week." I am fairly sure this happened. I happen to know that she had had some employment with the C.B.C. on the local scene since then, and it struck me as perhaps an indication that there is an "in" group, and that is why I wanted the explanation. I would like you to comment on the example. Does it seem far-fetched?

Mr. CARTER: Human beings work these procedures and it is possible that a case like that could occur. I am not aware of it. If I knew the facts I could investigate. We try to adhere to the procedure at all times.

Mr. MacDONNELL: Do you advertise vacancies?

Mr. CARTER: We do advertise vacancies, when we have not got anyone either on the staff or applications on file to fill the job. We do not, as a routine, advertise outside. It is not a routine.

Mr. FISHER: In this particular case I gather that the person's work was good enough to justify it. She is not a permanent employee, but on occasion she has done several special jobs. Apparently she has some talent. Her point is that her talent, if she has it, would never have been recognized or have been assessed fairly by this routine method of the application. That is what I am curious about. How does someone who really believes she has talent break into the structure, if she has not some kind of link or key?

Mr. OUMET: Mr. Fisher, it is possible that such a case might have taken place. You seem to have more facts than we have about this particular case. I hope that you will make them available to us so that we can track this down. If there was any problem, we will make sure that this does not happen in the future. However, surely you are not suggesting that because there may be such a case—and I have not been able to give our side of the picture, because I do not know what it is—that therefore you can draw the inference that you have to belong to what you call the "in group" in order to get in.

Mr. FISHER: I just asked the question, Mr. Ouimet, how you could demonstrate that this kind of situation does not exist. You have given your answer. I am not particularly quarreling with it.

Mr. BRIGGS: This may be an example of an individual wanting to get in the corporation. I am reminded of a case which occurred a couple of years ago in Halifax. A girl who had just graduated from Dalhousie was very keen to come with us. She thought she had some ability in the writing field. She thought she might be interested in a job as a script assistant. She really did not know what a script assistant was, but from what she could gather she thought it might be interesting. She applied to us. There were no jobs available for a script assistant at the time, there were no openings. She was sufficiently keen to say: "Well now, is there anything I can do to get my toe inside the door and be Johnny on the spot?" She got a job with us—on the switchboard, and she held that job for eight months. In her spare time she went over and found out what the job of script assistant was all about, she worked with the producers until there was an opening. There was certainly no closed circle there, and there was no "in".

Mr. SMITH (*Simcoe North*): The point which Mr. Fisher has brought up is one which frequently comes to the attention of members, that the hearing at the C.B.C. depends on whom you know. It has occurred to me that if the C.B.C. did more advertising of jobs—I am not suggesting that they follow the system of the civil service, but that they advertise more jobs, even though they have applications on file—they would reduce the amount of criticism that is directed at them in that field.

Mr. PRATT: I would like to point out that producers have made these opportunities available to attractive young ladies since theatre was invented.

Mr. OUMET: Mr. Smith, you raised this question at an earlier meeting?

Mr. SMITH (*Simcoe North*): Yes.

Mr. OUMET: I did not know so many of our disappointed candidates were visiting M.P.s but, if there are, certainly we are going to look into it and try to improve the situation.

The CHAIRMAN: We shall adjourn now.



## APPENDIX "A"

*"Q for Quest"—'Everyman's Perelman'*

'Everyman's Perelman' was broadcast in the weekly series "Q for Quest" on the English TV network on April 21st. The idea for this particular program was suggested to the Executive Producer of the series by one of our Toronto drama producers. He expressed his interest in dramatizing one of Perelman's short stories and was invited to select a suitable story and to prepare an outline of how it might be handled.

The producer prepared his outline and presented it to the Executive Producer. The Executive Producer decided that an effective dramatic presentation could be developed, and that it could be combined with an interview with Mr. Perelman which would give the audience more familiarity with his personality and his type of humour.

This program suggestion was then embodied in a tentative schedule for the series, which was examined by the Program Director, TV network. He met with the Executive Producer to discuss the schedule, and a recommended schedule incorporating the Perelman program was sent to the Director of Programming, English Networks. His approval was given, and the schedule was then sent back to the Executive Producer for action and development.

The Executive Producer then assigned the Perelman program to the producer who had first suggested it. The producer called a production meeting which included a set designer, a script assistant, a technical producer, a costume designer, a lighting technician and a unit manager, the latter being charged with administration of the budget. At this meeting the aims of the production were discussed, the budgetary limitations were established for the different elements and the members left to plan their own parts of the production. The unit manager kept in touch with the planning to ensure that it stayed within budgetary limits. Two days later the team met again and produced a studio lay-out and a final costing which was within the allocated budget. With his studio lay-out and costing complete the producer then prepared his shot lists and drew up his cast list. The Casting Bureau then negotiated with the actors within the budgetary limitations specified by the unit manager. With the casting complete first rehearsal took place in a rehearsal hall without cameras. Final rehearsal took place before the cameras and the program was then tape recorded and was held ready for release on the assigned date.

## APPENDIX "B"

*Employees Earning \$10,000 or more annually*  
(As at March 31, 1961)

	<i>Regular Employees</i>	<i>Contract Employees</i>
Ottawa (Head Office) .....	52	
Toronto .....	37	29
Montreal (including International Service & Engineering Headquarters) .....	42	30
Other locations .....	15	2
	<hr/> 146	<hr/> 61

Note: Twelve people were initially appointed at salaries or contracts of \$10,000 or more.

## APPENDIX "C"

Confidential

## AGENDA

*15th Meeting of Board of Directors Quebec, P.Q., February 14-16, 1961*

1. Minutes of 14th Board Meeting
2. Minutes of 32nd Executive Committee Meeting
3. Date and Place of Next Meeting
4. Report of President
5. Programs
  - (a) Minutes of 12th Committee Meeting
  - (b) Matters Referred from 13th Committee Meeting
6. Finance
  - (a) Reports from 27th, 28th and 29th Committee Meetings
  - (b) Pension Plan
  - (c) Revised 1961/62 Capital and Operating Budgets
  - (d) Method of Financing (Grant and Formula)
  - (e) Other Matters Arising from Reports
7. 1961 Parliamentary Committee
8. Second Station—Quebec City
9. Progress Report on Study Concerning More Effective Use and Sale of C.B.C. Television Programs
10. Engineering and Operations.
  - (a) Extension to Coverage
  - (b) Current Projects
  - (c) New Projects
  - (d) Consolidation—Montreal and Toronto
11. Staff Matters
  - (a) Industrial and Talent Relations
  - (b) Quirion Case
  - (c) Appointments—By-law 8(4)
  - (d) Staff Growth
12. Board of Broadcast Governors
  - (a) Consultative Committee Meeting of January 20
13. Board of Directors
  - (a) Representation Expenses
  - (b) Special Expenses of Directors
  - (c) Secretariat
14. Reports by Board Members
15. Other Business

Confidential

## AGENDA

*32nd Meeting—Executive Committee Ottawa, February 8, 1961*

1. Recent Developments
2. Agenda and Engagements—15th Meeting Board of Directors
3. Cheque Signing, General—By-law 16
4. Mont Laurier, P.Q.—Site for TV Satellite
5. Renewal of Lease—Le Droit Building, Ottawa
6. Increase in Rental—Provision for Air Conditioning—Ground Floor, Victoria Building
7. ANG Conciliation Board Report
8. Other Business

*Confidential*

### AGENDA

*13th Meeting of Program Committee Board of Directors Quebec, P.Q.,  
February 13, 1961*

1. Report on Programs
  - (a) English
  - (b) French
  - (c) General Planning
2. Report on Distribution of Speakers
3. Commercial Policy—Sunday Sports and I.D.s
4. Report on C.B.C. Contributions to Charitable Purposes
5. Music—Policies and Practices (Second Phase)
6. Political Broadcasting—Policies and Rulings
7. Other Business

*Confidential*

### AGENDA

*27th Meeting of Finance Committee Ottawa, January 12, 1961*

1. Minutes of 26th Meeting
2. Staff Statistics—November, 1960
3. Matters Arising from Previous Minutes
  - (a) Revised 1961/62 Capital and Operating Budgets
  - (b) Working Capital
  - (c) Automobile Insurance—Increase in Liability Limit
  - (d) Depreciation on Motor Vehicles
  - (e) Capital Assets—Office and General Equipment
  - (f) Method of Financing (Grant and Formula)
4. Proposed CBC Pension Plan—Appointment of Trust Company
5. Salary Adjustments—1961/62
6. Cheque Signing—By-law 16
7. Mont Laurier, P.Q.—Site for TV Satellite
8. Interim Meetings
9. Financial Statements as at October 31 and November 30, 1960
10. 1960/61 Operating Budget
11. Committee's Report to 15th Meeting of Board
12. Next Meeting
13. Other Business



*Confidential*

## AGENDA

*28th Meeting of Finance Committee Ottawa, February 2, 1961*

1. Minutes of 27th Meeting
2. Staff Statistics—December, 1960
3. Matters Arising from Previous Minutes
  - (a) Revised 1961/62 Capital and Operating Budgets
  - (b) Working Capital
  - (c) Proposed CBC Pension Plan—Appointment of Trust Company
  - (d) Distribution of Board Minutes
  - (e) Method of Financing (Grant and Formula)
  - (f) Leetham-Simpson Report
4. Extension of Agreement with CFRG Gravelbourg and CFNS Saskatoon
5. Increase in Rental—Provision for Air Conditioning—Ground Floor, Victoria Building
6. Renewal of Lease—Le Droit Building, Ottawa
7. Interim Meetings
8. Financial Statements as at December 31, 1960
  - (a) Accounts Receivable—Trade
  - (b) Analysis of Inventory Increase—Engineering H.Q.
9. Committee's Report to 15th Meeting of Board
10. Next Meeting
11. Other Business

*Confidential*

## AGENDA

*29th Meeting of Finance Committee Quebec, P.Q., February 14 & 15, 1961*

1. Minutes of 28th Meeting
2. Matters Arising from Previous Minutes
  - (a) Method of Financing (Grant and Formula)  
(See item 3(e) of 28th agenda)
  - (b) Leetham-Simpson Report  
(See item 3(f) of 28th agenda)
  - (c) 1961/62 Salary Adjustments—Ungrouped Staff
  - (d) CBC Pension Plan—Appointment of Trust Company
  - (e) Working Capital—Progress Report
3. Financial Statements as at December 31, 1960
  - (a) Accounts Receivable—Trade
  - (b) Analysis of Inventory Increase—Engineering H.Q.  
(See item 8 of 28th agenda)
4. Committee's Report to 15th Meeting of Board
5. Additional Office Space—Winnipeg, Manitoba
6. Revisions to Extended Coverage
  - (a) Television
  - (b) Radio
7. CBC/NABET Negotiations—Terms of Reference
8. Mount Royal Tower—Report on Negotiations
9. Next Meeting
10. Other Business

The following is an English translation of the deliberations carried on in French on this date.

(Page 529)

Mr. TREMBLAY: Mr. Chairman, before we dispose of Mr. Pratt's motion, I should like to point out that some people in the committee, particularly in the steering committee, do not seem to realize that the members have rights and that if the members agree to sit on a parliamentary committee it is because they recognize the fact that they have a duty towards the people who have elected them.

We tried many times in 1959 to obtain factual information which would have enabled us, and especially the public to ascertain how public funds are being used.

Now, at the last meeting we obtained some information relating to the fees that are paid to the artists and writers who supply material and talent to the Corporation.

We do not ask for this information merely for the somewhat morbid satisfaction of knowing how much Mr. X or Miss Y earns, but we want this information because it is our duty to render an accounting to the citizens who elected us of the administration of a government service.

In my opinion a very serious blow is struck at the principle of responsible government when we have a Crown corporation keeping confidential certain facts relevant to acts of public administration. Personally, I have already expressed my opinion on this matter; I am absolutely in disagreement with the decisions that have been given in the past and any decisions which may eventually be given to the same effect.

\* \* \* \*

(Page 530)

Mr. TREMBLAY: Mr. Chairman, may I speak to that motion? I do not like this kind of proceeding, which is not at all in accordance with the French mentality. Whenever we are confronted with a difficulty in the committee, there is always someone who moves that the problem be referred to a steering committee. If the members of the committee, as such, are not able to make decisions, there is no use coming together here to deliberate on matters of administration.

I suggest that a vote be taken at once on Mr. Pratt's motion.

\* \* \* \*

(Page 536)

Mr. TREMBLAY: Mr. Chairman, I should like to ask Mr. Ouimet a question that is connected with the ones just asked.

I should like to know your opinion about the practice followed by the C.B.C. with regard to the use of reporters, especially in areas or countries where the Corporation already has a team. To make my question more specific, I should like to remind Mr. Ouimet of the case about which a question was asked in the House some time ago: I refer to the broadcasts that were produced on Algeria, for which a special commentator was dispatched, when we had a team on the spot which had already gone to Algeria early in December. Now, I wonder why those same persons were not used.

\* \* \* \*

(Page 540)

Mr. TREMBLAY: Mr. Chairman, I should like to put a question to Mr. Carter, who spoke of the classification of employees and the effort which the C.B.C. is making to be fair to individuals.

Could he explain to me what type of examination an employee is given by the Corporation when he wishes to obtain a change of classification?

\* \* \* \*

Mr. TREMBLAY: A supplementary question. You spoke of an interview of the candidate with the supervisor, with the persons who are supposed to deal with promotion. I have here a very peculiar case where, in the course of the interview granted to a candidate for promotion, the only question he was asked was: "What do you think of the C.B.C.?"

What do you think of that?

\* \* \* \*

(Page 542)

Mr. TREMBLAY: I have a supplementary question, Mr. Chairman, to the one I asked a few minutes ago. Could Mr. Ouimet tell us what directives C.B.C. employees receive concerning their relations with our ambassadors abroad? Because I have in mind a very specific case where an ambassador told me that a representative of the C.B.C., entrusted with the task of making a survey in a certain country, had refused to request the services of the embassy, which would have enabled him to gain access to a more complete source of information.

\* \* \* \*











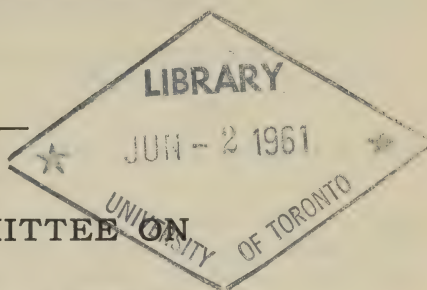


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HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61



SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

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TUESDAY, MAY 16, 1961

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### WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Mr. Marcel Ouimet, General Manager, Network Broadcasting (French).

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss  
Allmark  
Baldwin  
Caron  
Casselman, Mrs.  
Chown  
Creaghan  
Danforth  
Fisher  
Forgie  
Fortin

Horner (*Acadia*)  
Keays  
Lambert  
Macdonnell  
MacEwan  
McCleave  
McGrath  
McIntosh  
McQuillan  
Mitchell  
Morissette

Pickersgill  
Pratt  
Pugh  
Richard (*Ottawa East*)  
Robichaud  
Rouleau  
Simpson  
Smith (*Calgary South*)  
Smith (*Simcoe North*)  
Tremblay  
Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, May 16, 1961.

(24)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Danforth, Fairfield, Fisher, Fortin, Horner (*Acadia*), Keays, Lambert, Macdonnell, MacEwan, McGrath, Mitchell, Pickersgill, Pugh, Simpson, Tremblay, Webb—(20).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. V. F. Davies, Comptroller; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

As the proceedings commenced the Chairman reported on behalf of the Subcommittee on Agenda and Procedure regarding a method for conducting future proceedings and the subject was discussed at length. The Subcommittee's recommendation to add an afternoon sitting on Thursday, May 25, and every Thursday thereafter, between 3.00 and 5.00 o'clock was agreed to.

The Committee then resumed from Thursday, May 11, its adjourned inquiry into the affairs of the Canadian Broadcasting Corporation.

Mr. Alphonse Ouimet was recalled.

A reply in answer to a question asked by Mr. Horner (*Acadia*) at the preceding meeting regarding staff in the C.B.C.'s London office was read into the record. Mr. Alphonse Ouimet answered orally other questions asked at previous sittings.

The witness was examined on matters coming under the heading of finances. During Mr. Ouimet's progress report and policy review the following charts were displayed and commented upon by him:

- (1) Expenditures 1959-60 Per Statement of Operations.  
(See Appendix "A" hereto.)
- (2) Expenditures 1959-60 Per Budgets Tabled.  
(See Appendix "B" hereto.)
- (3) Gross Expenditures & Revenues—Radio and Television—1946-1962 & Percent Increase of Expenditures by Years.  
(See Appendix "C" hereto.)

At the suggestion of Mr. Chown, it was agreed that the said charts be appended to the printed report of today's proceedings as above indicated.

Certain questions directed to the witness were answered by Mr. Marcel Ouimet.

Part of the interrogation of witnesses was conducted in French and English.

And the examination of Mr. Alphonse Ouimet and others still continuing, it was adjourned until the next sitting.

At 11.00 o'clock a.m., the Committee adjourned to meet again at 9.30 o'clock a.m., Thursday, May 18, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

TUESDAY, May 16, 1961.

9.30 a.m.

The CHAIRMAN: We have a quorum. Will you please come to order.

I waited a few moments, hoping to see some of the opposition members come in. However, I understand there are many other meetings being held this morning.

For your information, we had a subcommittee meeting last week, after the regular meeting, and it was decided to sit on Thursdays from 3 to 5 p.m., commencing next week, as well as our Tuesday and Thursday morning sittings.

It also was decided to move on to finances. Mr. Carter will be away on business and will not be here to answer questions in connection with talent unions, and so on.

There was considerable discussion as to where we were going, and there was a plan kicked around in the subcommittee. I will give this to you, for what it is worth. We thought it would be possible to limit the line of questioning as much as possible on each item to those questions which were designated by members of the committee, and that the order of asking these questions would be in the same order as they were sent to me through the mail. I do not know whether or not this is a good idea, or whether the committee agrees with it. However, it certainly seems to me that it might accomplish a great deal more than the waffling around that has been going on.

Mr. HORNER (*Acadia*): Would you make that a little clearer, Mr. Chairman? Am I correct in my understanding that we are going to proceed on a line of questions submitted to you through the mail; in other words, we must hand our questions in to you before the meeting?

The CHAIRMAN: This was just an idea that was talked about in the subcommittee meeting.

Mr. HORNER (*Acadia*): Well, how do you propose to have a quorum, if we are going to have all our questions handed in before the meeting starts?

The CHAIRMAN: You may keep a copy of them and, in that way, the people who have sent in their questions earlier, will be able to ask those questions orally.

Mr. HORNER (*Acadia*): In what order will the questions be put?

The CHAIRMAN: In the order in which they have been received by me.

Mr. HORNER (*Acadia*): In that case, someone could hand in 200 questions and the committee would be taken up for an endless length of time in hearing answers to these questions. They would all be answers to questions which this one member has submitted, and you would never get a quorum.

Mr. DANFORTH: Will supplementary questions be entertained on these questions?

The CHAIRMAN: Oh, yes.

Mr. DANFORTH: Then, as I understand it, these questions merely will outline the topics and committee members will have an opportunity to elaborate on these questions?

The CHAIRMAN: I should think so, if they are within the bounds of the question.



Mr. CHOWN: I would like to make one brief comment: I think we can anticipate the things we want the C.B.C. to produce in terms of dollars and cents in connection with this particular item which we are going to discuss today, and therefore the work of producing this information can be going on between meetings, as far as the C.B.C. staff is concerned. However, on the other hand, I cannot go along with the import of the written question idea, because this seems to me to be leading us into a voluminous state of affairs which likely would protract the meetings rather than contain them.

The CHAIRMAN: It certainly would lead me into a voluminous amount of work.

Mr. DANFORTH: Would it not curtail the meetings too much? In very many cases, a question directed to a witness will open up an entirely new field, and if we have to wait until the next meeting to send in questions in relation to the new field, the whole procedure would become too cumbersome.

Mr. PICKERSGILL: Mr. Chairman, if you anticipate doing something like this, would it not be better, instead of having questions submitted, simply to have each member submit one or two topics that he thinks ought to be discussed—not questions, but merely the topics—and then you could see from those which ones most of the members of the committee most want to discuss, and, in that way, you could give some sort of priority to the subject.

I agree with what some of the others have said, that you could not ask the members to send their questions ahead of time, because the answer to one question conceivably might prompt another one. It seems to me that the procedure I have suggested would be a fairly good way of finding out from the various members of the committee which topics they would like to explore. As the chairman says, at the present time we are waffling around, and we are not coming to grips with these things which most of the members think are most important.

I therefore would suggest this is a possible modification of your original suggestion.

Mr. CHOWN: Mr. Chairman, if we want to exercise the *Hansard* reporter, I can file seven pages of questions, which I have prepared right now.

Mr. HORNER (*Acadia*): I can do likewise.

Mr. MACDONNELL: From what has been said up until now, Mr. Chairman, it would seem to me that your suggestion of just letting questions run wild might get us into great difficulties. It seems to me that we have to look to the committee for help. As Mr. Pickersgill suggested, if committee members could pose certain topics for discussion, it seems to me that this would guard against Mr. Horner's fear, as he expressed it. Would it not be better to have these suggestions of the individual members of this committee scrutinized and regularized by the executive committee?

Mr. BALDWIN: I can appreciate the significance of what has been said. Of course, it is not only the question but sometimes the answers which will determine the continuance of further questions. If a man does not get the answer he wants, he insists sometimes, even though it is not forthcoming.

If it would not entail too much in the way of secretarial work, questions could be produced which are fundamental to our enlightenment on certain topics, and then answers could be made available for them. I know there are certain questions I would like to ask, and I know this all takes time. However, if questions could be submitted and written answers made available to all members of the committee preceding the committee itself, we would know where to go from there. Of course, I realize that would involve a lot of detailed work.

Mr. PUGH: We lose a lot in committee by submitting written questions and receiving written replies. It is the very answer that prompts a further question. If we were to write our questions out and submit them, there would be no answer given at the time; they would form part of the record.

Mr. PICKERSGILL: If I might repeat myself, Mr. Chairman, it would be limiting the freedom of the members of the committee too much to suggest they send questions in advance. However, the subcommittee would have some difficulty, I think, in knowing, without some expression of opinion from all members of the committee, which are the topics that are considered most important, and if each member would, say for example, send a list of the three most important topics which he thinks should be taken up, the subcommittee could examine these and see which ones represent what most of the members would like to have explored, and in this way it would help the subcommittee to sift the work.

Mr. McGRATH: I do not see how it is possible to be more specific than this. I do agree with what has been said in connection with written questions. I think that would curtail the effect or the activity of the committee. However, I do believe that the agenda which someone has worked on so hard to please is specific enough that it covers anything anyone would want.

The CHAIRMAN: Well, if anyone is agreeable, we could try it as an experiment.

Is it agreed that we meet on Thursday afternoon, from 3 p.m. to 5 p.m., starting next week?

Agreed.

The CHAIRMAN: I have a reply from the C.B.C. in reference to a question which was asked. The reply is as follows:

At the May 11th meeting of the broadcasting committee Mr. Horner asked about the number of staff in the C.B.C.'s London office. The Corporation employs six Canadians, including Donald Gordon who is a correspondent under contract. In addition, permanent residents of the U.K. are employed as clerks, secretaries, etcetera.

The Corporation does not have information on the size of staffs maintained in London by foreign broadcasting organizations but believes that these vary widely.

Mr. HORNER (*Acadia*): Could we have a break down of the staff employed by the C.B.C. in New York, just as a comparison?

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): Yes, we can provide that easily.

The CHAIRMAN: Mr. Ouimet has an answer to a question.

Mr. ALPHONSE OUMET: I have an answer to a question put by Mr. Horner at the May 4 meeting of the committee. He asked for information concerning the amount of network broadcasting done in production centres outside Toronto and Montreal. At the time I mentioned that 35 per cent of the English network production is done outside of Toronto. We have since made a check on this and find that in the sample week, January 22nd to 28th, 1961, which is quite typical, there was a total of 37 hours and 48 minutes of Canadian production on the English television network. Of this, Toronto contributed 65.2 per cent, Montreal 14.7 per cent, Halifax 9.7 per cent, Winnipeg 4 per cent, Vancouver 3.3 per cent, and Ottawa 3.1 per cent.

The CHAIRMAN: We are going on today to finance, since as I explained before, Mr. Carter is away on business. I wonder if you have any comments to make before we start?

Mr. McGRATH: Will these comments be apropos of finance?



The CHAIRMAN: Yes, only of finance.

Mr. McGRATH: I think there is a question here regarding our future procedure. We have passed items one and two of the agenda, organization and administration, on which we heard a very detailed draft report from the president. Now we are going into more specific items. As we do, I suggest that, for example, in the case of finance, we hear from the comptroller and perhaps call the Auditor General.

Mr. HORNER (*Acadia*): Before you deal with that, I have a question leading out of the meeting last Tuesday, when I asked it. In my mind I am mixed up. I do not want to delay or take up the time of the committee. I asked, as reported on page 516, if we could have the names of persons coming to Canada for shows, for one-time programs on C.B.C., and I gave examples of Randolph Churchill, Lady Docker and Brendan Behan, and "Cy" Taillon, the announcer for C.B.C. at the Canadian show a year ago. I was under the impression we would be given these facts and I took this impression from the statement made by Mr. Ouimet at page 517, when he said:

Mr. Chairman, Mr. Horner is so insistent on this point, but I have already indicated that we want to give him the information if we could go through the process of compilation.

I replied that that was all right. The question I have now, is, has this information been compiled?

Mr. ALPHONSE OUIMET: This information is being compiled.

The CHAIRMAN: Now, in so far as Mr. McGrath's question is concerned.

Mr. ALPHONSE OUIMET: Mr. McGrath, I can well understand your desire to have other voices speak.

Mr. McGRATH: I was also thinking of the president, Mr. Chairman.

Mr. ALPHONSE OUIMET: But I think it is my responsibility to present to you the report of the corporation, and no one else has been delegated to speak for the corporation unless I find it necessary to delegate to them—and I do. I have in the case of Mr. Carter, and I will do so considerably in the case of the comptroller. I would like to start with the report of the corporation on finances—to start with.

Mr. CHOWN: This is reasonable, Mr. Chairman, and I think it is a good practice to follow.

The CHAIRMAN: Is that agreeable Mr. McGrath? If there is any specific question that Mr. Ouimet cannot answer, the comptroller is here. Carry on, Mr. Ouimet.

Mr. ALPHONSE OUIMET: Before we start to discuss the details of our financial operations, I think it would be useful to review certain basic facts about the corporation finances, with which the committee may not be entirely familiar. May I stress first that the corporation has never spent any more than it was authorized to do beforehand by parliament. I think this is an important point. Neither has it ever spent such moneys for any other purpose than those set out by parliament. Frankly, it has always been a source of amazement to me to see on the one hand the care with which our budgets are examined by treasury board officials, by the treasury board itself, discussed in parliament, passed by parliament by a vote; and then on the other hand, in the following 12 months to see so much energy in discussing and even criticizing the spending of that money by the corporation when it was approved in the first place by parliament.

We religiously stay within the moneys voted by parliament in payment for the services we are asked to provide to the nation. We have had significant budgetary surpluses in recent years. We paid back \$800,000 to the treasury in 1958-59. We paid back \$6 million in 1959-60. While our year-end



reports are not available yet for the fiscal year just ended, we should show another budgetary surplus, greater than \$2 million. This is for operation, only, and we have returned several million dollars of our capital vote as well over the last three years.

We have never had any actual budgetary deficit. Yet we hear of C.B.C. deficits, in the press and even in the House of Commons. The application of the word deficit to moneys voted by parliament to C.B.C. ahead of time so that it may carry out its mandate, is, in my opinion, as incorrect as if we were to use the word deficit to refer to the complete federal budget itself. Both cover payment for services rendered. This was my first point.

The second point I would like to make is that the corporation expenditures have never been more than the government was told they would be, years and years ahead of time. In the first place, we have spent less in the last four years than the Fowler commission recommended in 1957, after a careful study of our operations with the assistance of a well known firm of consultants. In total, including our requirements for 1961-62, our demands for public funds will have been some \$20 million less than recommended by the Fowler commission. That is for operation alone, proper adjustment being made of course for the fact that we have not gone ahead with the development of colour television as predicted in the Fowler report, for the devaluation of the dollar, or other pertinent factors not contemplated at the time of the Fowler report.

In the second place, before we ever started television, we advised the government in 1949 that television in Canada would cost \$15 per year per home served. At the time we had assumed that television would be financed through a receiver licence, as was already the case for radio broadcasting.

I want to be very sure that there is no misunderstanding here in the committee or outside of the committee on that point: we are not recommending a licence now. What I am saying is that in 1949 we told the government we could provide Canadian television in black and white to 75 per cent of the population of Canada on the basis of a \$15 licence or on the basis of \$15 per T.V. home. We told the Fowler commission the same thing five years ago. We have never exceeded this amount of \$15 per home per year. As a matter of fact, we have managed to stay well below that amount, even if the dollar has lost at least 25 per cent of its value in the meantime.

Furthermore, we have provided considerably more service than we thought it would be possible to provide at the time we made the original estimate. The point I want to make clear is that the C.B.C. at all times knew where it was going on a long-term basis and that all governments, ministers, treasury boards, parliamentary committees and royal commissions concerned were told these financial facts as I am telling the committee now. It is therefore with a full knowledge of what television would cost Canada over the years that parliament authorized the C.B.C. to proceed with its development. I think the C.B.C. has done the job successfully and within the estimates established some 12 years ago.

I wonder, frankly, how many private or public enterprises have managed to stay so closely within their estimates during a period of great economic fluctuation between 1949 and 1961.

Now Mr. Chairman, if I appear to feel very keenly about any suggestion that the C.B.C. expenditures are much more than originally planned or about references to—and I quote—"recent steep increases in C.B.C. expenditures", that are contained in the report of the 1959 parliamentary committee, it is because I am the man who made the original study in 1947 and I know that television is actually costing less today per home than I had estimated 15 years ago.

The third point I want to make is that our production costs are considerably less than those of other television organizations, providing comparable services.

The C.B.C. costs are far below those of any of the three American networks. They are also considerably below those of the B.B.C. in England. Comparison with other countries is not possible because television has not yet developed to the same degree in countries other than the United States, Great Britain and Canada. You may be interested to know that Japan is catching up rapidly. The production of television programs of network quality is an expensive business in any country. Let me repeat that to the best of our knowledge it is less expensive in the C.B.C. than in any other comparable network organization.

Could that be so if the C.B.C. were seriously inefficient, or wasteful in any serious manner? However, it is our constant preoccupation to do better in terms of efficiency than we are doing now, and we are giving a lot of attention to this question.

My fourth and last point has to do with the basic question of whether Canada can afford to pay for the quantity and quality of television that the C.B.C. has been asked to provide by parliament over the years. I believe that this question was asked by the people of Canada when they bought television receivers in the first place. It is not the program that you see on your television screen that is the expensive element in the enjoyment of television: it is the owning, maintaining and operation of a television receiver in the first place. For every cent spent for C.B.C. television service, the viewer spends at least another four cents to keep a television set in operation. In certain areas of Canada where the cost of electricity is high, it costs more for the electricity required to run the set than for the C.B.C. program it receives. You will recall that I said at the first session of the parliamentary committee following the Easter recess that the cost of C.B.C. service for operations and capital expenditure in 1960-61 was exactly one cent per day per person. This amount covered all C.B.C. services in English and French, in radio and television, and the local, regional and national production and distribution of some 100,000 programs in practically every area of public interest.

Yet, looking at it the other way, one cent per day per person, even with our relatively small population of 18 million, amounts to some \$66 million per year. This is about exactly the amount we spent during the fiscal year just ended for both operations and capital. That is the amount we spent out of public funds. Of course, whether we consider the total amount or the cost per person per day we must not lose sight of the fact that there is no other service that so many people use so much of the time. Television viewing and radio listening together, or even television viewing alone, constitute the third major activity of our citizens, ranking only after sleep and work. In any case, however we look at it, as \$66 million or as one cent per home per day, it is the job of the corporation to spend that amount as wisely and with as little waste as possible. It is the responsibility of the committee to see that in fact the C.B.C. does just that.

You will undoubtedly have questions about certain specific aspects of our expenditures, but before answering detailed questions I believe it would be useful to you if you knew right from the start how the C.B.C. expenditure dollar is allocated to various services and also how our expenditures have grown over the years.

Mr. CHOWN: May I interpose to ask if Mr. Ouimet has any sort of breakdown table?

The CHAIRMAN: He has some charts.

Mr. CHOWN: I suggest that they be tabled as appendices to the minutes of the meeting.

The CHAIRMAN: It has been moved that we publish these as an appendix.

Agreed.

(See appendix "A" hereto.)



Mr. ALPHONSE OUIMET: This first chart, which we can deal with briefly, is the chart that appears in your 1959-60 annual report. It shows how the gross C.B.C. expenditure dollar is spent. By far the largest element of cost is the cost of programs, which is 58.2 per cent. The payments to private stations, commissions to agencies and networks, amounts to 11.6 per cent. The cost of network distribution and station transmission is 12.9 per cent. Operational supervision and services connected with the production of programs come to 7.3 per cent. Depreciation amounts to 3.4 per cent. The total general costs and selling cost is 6.1 per cent. We have indicated on this chart, because it was important at the time, that the northern radio service was costing us something of the order of 0.5 per cent.

Mr. Chairman, before I go to the other chart, perhaps I had better deal with any questions with respect to this chart.

Mr. MACDONNELL: With due respect, Mr. Chairman, I did not think we were going to get from the general immediately into the particular. It might be better if Mr. Ouimet completed his statement and then we could come back and we could get the questions started.

Mr. LAMBERT: With due respect, Mr. Chairman, I think we are going to get from the general immediately into segment particulars. It might be better if Mr. Ouimet continued with his statement. Once we get started on questions, that is the end of the statement.

Mr. CHOWN: I will move that this chart be filed in the appendix, Mr. Chairman.

(See appendix "B" hereto.)

Mr. ALPHONSE OUIMET: The first chart I showed you was the breakdown as it is given in the annual report, and in the financial statement of the annual report. This second chart is a different breakdown of the same gross C.B.C. expenditure dollar according to the objects of expenditures which are tabled with our budget every year. In this case we see that 37.8 per cent of the gross expenditure dollar of the C.B.C. is spent on salaries, wages and other employment expenses. I am sure you would like to know immediately how this compares with other broadcasting organizations. We do not have any information on any other than the B.B.C. where salaries, wages and other employment expenses amount to some 39 per cent.

Mr. PUGH: Does that include artists and speakers?

Mr. ALPHONSE OUIMET: No, the artists, the speakers and the writers are included in this next group of expenditure which represents 17.6 per cent.

Mr. PUGH: The British figure has been broken down as well?

Mr. ALPHONSE OUIMET: We do have access to the breakdown of this figure for the B.B.C. All the information I have been quoting with respect to the B.B.C. is information which has been taken from their handbook.

Mr. FORTIN: Under what category do the producers come, for instance?

Mr. ALPHONSE OUIMET: They come under salaries.

Mr. FORTIN: You do not consider them as artists?

Mr. ALPHONSE OUIMET: They are artists, but they are contract employees. While the artists and performers are per-occasion employees, the producers are on our staff. The next category of expenditure is the payments to private stations, which represents 5.7 per cent; then the cost of network transmission, 7.8 per cent; commissions to agencies and networks, 5.9 per cent; film rights, 7.8 per cent; then, all other categories together 17.4 per cent. For example, the maintenance, the supply of technical equipment for operating purposes, such as tubes, rentals and so on, would be in this category of 17.4 per cent.

Mr. CHOWN: I would move that this chart be filed in the appendix.



The CHAIRMAN: Motion agreed to.  
(See appendix "C" hereto.)

Mr. ALPHONSE OUMET: This is a more complex chart which shows the gross expenditures and income for radio and television for the years 1946 to 1962. It also shows the per cent increase of expenditures, by years. I think it is a very important chart because it shows you in simple form what has happened to our expenditures over the years. It also shows you how much we have received from commercial revenue and how much we have received from public funds, and it gives you the growth of the expenditures. I should point out immediately in case I forget it later, that the figures for 1961 and the figures for 1962 are still estimates because we have not got the final figures for the year just ended; and obviously the figures for the year 1962 have yet to be voted by parliament. These are the figures which are shown in your estimates book—the blue book.

Mr. LAMBERT: Mr. Chairman, on a point of information; this includes operating and capital expenditures?

Mr. ALPHONSE OUMET: This is purely operating expenditures, but it is the gross expenditures. In the years prior to 1942 when we were operating radio only, our expenditures were of the order of \$10 million, more or less. The scale of expenditures is shown on the left. Then, when television started or when we began to prepare for it and employ additional people in 1951, and when we started in 1952, and when, in 1953, 1954, 1955 and 1956 we had what I referred to as the explosive growth of television in Canada, you had this rapid rise of expenditures as the new medium was developed and as the service was extended across the country. The per cent increase of expenditure from year to year is shown by the red curve and I think this is the important one for you to consider.

In the years 1946, 1947, 1948 we were growing expenditure-wise at the rate of about  $8\frac{1}{2}$  per cent. The scale for the percentage growth is shown on the right of the chart. Then, with the advent of television, of course the expenditures grew very rapidly, and in the peak year of 1955 the expenditures were 50 per cent higher than the expenditures for 1954. This was the peak of our growth, and since that time the rise of expenditures expressed as a percentage of what it was the previous year, has been decreasing according to this curve. I should mention to you that if the actual yearly figures were plotted, there would be some zig-zags on that curve. This is a smooth curve but is it remarkably close to the actual figures. This is the trend. So that in 1958, for example, we spent 20 per cent more than in 1957, and we are now reaching a saturation point which seems to be of the order of 8 per cent. This is the figure which we believe will be required for the next few years to take care of the further development of television in the care of the further development of television in the country.

You might ask: why does not the figure go right down to zero; why does not the expenditure of the corporation remain fixed? The reason is threefold; in the first place television is not yet fully developed in Canada or in any other country in the world. It is still young. I wish I could say that it is fully developed, but it is not. Many things are happening regularly which contribute to its further development and further cost. You already know about the demands for coverage, and all of these mean a built-in dynamic factor in the television medium itself. Then there is also the fact that the country itself is still developing, that it is still growing, and as the population grows and as the gross national product of the country grows, the television service would normally be expected to keep up with it, as reported in the Fowler report. There is another factor which is not too serious now but which was quite serious at the beginning, and that was the fluctuations in the value of the dollar.

Mr. Chairman, I think I could stop at this point.

Mr. LAMBERT: First of all, Mr. Ouimet, have you a similar type of chart with respect to capital expenditure?

Mr. ALPHONSE OUIMET: No, but it could be easily prepared.

Mr. LAMBERT: It would be highly instructive to see as a basis of comparison because it is obvious that, as your increasing capital expenditure is made you also may be building up a built-in increase in operating expenditures.

Mr. ALPHONSE OUIMET: I do not believe this is the case; I think it is the other way around. Our needs for capital expenditure, at least the major expenditures we have in the planning stage, are for the purpose of saving money in terms of operations. The way we are dispersed all over the map, in the case of Montreal with some 22 different locations, or in the case of Toronto or even in the case of Ottawa, means that our operations are not as efficient as they should be, and this will be the reason for the most important expenditures.

Mr. LAMBERT: Perhaps we could defer further explanations until we get such a chart, and will study that particular aspect.

My first question, Mr. Chairman, is in connection with Mr. Ouimet's statement that—I hope I am not being unfair to him here but I was rather struck by his opening remarks—there seemed to be some wonderment on his part as to why there was this continuing and close interest in actual expenditures by the corporation, because prior to the expenditures having been made presumably there had been close screening by treasury board and parliament. Is it right, Mr. Ouimet, that you feel that once the funds have been voted that the interest of parliament in the operations of the corporation and the measure of the efficiency of its expenditure of these moneys should thereby cease?

As I say, I hope I am not being unfair, but that seemed to me to be an underlying feeling in your opening remarks.

Mr. ALPHONSE OUIMET: I think, Mr. Lambert, to be quite frank you are unfair because this is not what I intended to convey. What I intended to convey was the thought that there is constant reference to C.B.C. deficits. There have been constant references to the fact that C.B.C. is spending a lot more than had ever been anticipated. I was trying to show to you right at the beginning of my remarks that this was not the case, that the C.B.C. all along knew very well where it was going and had advised all the people concerned what the cost would be. It is on that basis that the system was started. Now that the system is started, we should not wonder about these costs because they were well known. They may still be very expensive. Parliament may have another look and may have other ideas about them, but nevertheless these are not expenditures made by the corporation outside of the control and knowledge of parliament. This was the thing I was trying to establish. What I said about the vote and the criticism on expenditure following the vote, applied only to the total amount. Once the expenditures are voted by parliament, I think then it should be recognized that the C.B.C. is expected to provide this amount of service. If we are extravagant or inefficient, this is an entirely different question. Then, of course, this is where parliament comes in.

Mr. MACDONNELL: Can I ask a question entirely supplementary to Mr. Lambert's? I was attracted by your statement that in one year I think you had a \$6 million surplus and in another \$2 million which you paid back. I would be interested in knowing how that arose. Was that because of unexpected return of the tax? Otherwise I would have thought it would be bad budgeting on someone's part, that you should have had a \$6 million deficit. On the other



hand, there was a time when your income was rather unpredictable because it came from a certain tax. Could you let us know what in effect caused the surplus in those years?

Mr. ALPHONSE OUMET: It was a surplus in 1959-60 which was due to two factors. We saved \$2 million on our budget expenditures and we achieved \$4 million more on commercial sales. So I think it would be good business all around. We spent \$2 million less and we got \$4 million more revenue. I do not think it was bad budgeting—it was good management.

Mr. LAMBERT: Mr. Chairman, may I get back to the question I first raised? Mr. Oumet had the wrong impression from my question. I accept his statement as he indicated that there was generally nothing outside the authorization, but what I did feel was there was some question as to the propriety of examining the actual performance and the spending of that money. This is the part I wanted to be quite clear on, that this was not implicit in those opening remarks.

Mr. ALPHONSE OUMET: Thank you very much, Mr. Lambert, for giving me the opportunity of assuring you that there is no such feeling on my part or on the part of the corporation.

Mr. HORNER (*Acadia*): I have a supplementary question on Mr. Lambert's discussion of capital costs and how they compare to operating costs. I notice in the tabulation you have given the committee that costs for the Vancouver and Winnipeg stations run close to \$4 million a year, and I am assuming that television would be at least \$3 million in both cases. My question with regard to capital costs arises out of this. You are now presently engaged in building and developing the C.B.C. station in Edmonton. Am I to presume that the operating costs, after this station has been developed, will not amount to \$3 million.

Mr. ALPHONSE OUMET: You are right.

Mr. HORNER (*Acadia*): Is there a direct comparison between capital expenditures in some regards, and operating expenses?

Mr. ALPHONSE OUMET: Frankly, I find it difficult to say yes or no to your question. Capital expenditures in the corporation have represented about \$6 million or \$5½ million a year over the last several years, and they are small in relation to operating costs. So that value of our capital assets when converted into operating charges is a rather small part of our total expenditures.

Mr. HORNER (*Acadia*): I have one further supplementary question. If you rule it out of order at present I will be agreeable to waiting a while longer. However, I will put it anyway. You have stated, in answer to my question, that you expect the expenditures of the Edmonton station, when it becomes operative, will be comparable to Vancouver and Winnipeg, or around \$3 million?

Mr. ALPHONSE OUMET: I am sorry, Mr. Horner, I have not stated that.

Mr. HORNER (*Acadia*): You have agreed to that, I thought.

Mr. ALPHONSE OUMET: No.

Mr. HORNER (*Acadia*): What do you estimate your operating expenditures will be?

Mr. ALPHONSE OUMET: They will be of the order of a million dollars in Edmonton.

Mr. HORNER (*Acadia*): I am sure the record will show that—

Mr. CHOWN: I believe Mr. Oumet was dealing with Vancouver and Winnipeg only.

Mr. HORNER (*Acadia*): I gave him the figures for Vancouver and Winnipeg and asked him if the operating expenses for Edmonton will be comparable. He said yes. I will put my question in another way. If you suggest that the operat-



ing expenses in Edmonton will only be one million dollars, and the purpose of purchasing the Edmonton station and setting it up was to portray that great Alberta feeling across the rest of Canada, why then would you spend over \$3 million to portray the British Columbia feeling across Canada, and to portray the Winnipeg feeling across Canada, and only \$1 million to portray true western atmosphere that is created and developed in Alberta, and for which Alberta is so widely known?

Mr. ALPHONSE OUMET: If you are suggesting that we should spend more and the committee would like to recommend this—

Mr. HORNER (*Acadia*): I am suggesting you will spend more, and more likely be in line with Winnipeg and Edmonton.

Mr. ALPHONSE OUMET: Let me put it in another way. The policy of the corporation for the Edmonton station and instructions for those who will manage it, are to stay within their budget.

Mr. HORNER (*Acadia*): And they are budgeted \$1 million a year?

Mr. ALPHONSE OUMET: Roughly, but if we can make more revenues and pay for additional expenditures, then we will allow more.

Mr. HORNER (*Acadia*): What will be the network percentage? Winnipeg had a percentage of 4 per cent, and Vancouver something like 3 per cent.

Mr. ALPHONSE OUMET: I believe, Mr. Horner, that the contribution of Edmonton to the network will have to be developed gradually. The first thing we have to do is to get there and develop the talent locally, and then from there develop the talent for national use.

Mr. HORNER (*Acadia*): Eventually then, once the talent is developed at Edmonton, the expenditures will increase; this is your view?

Mr. ALPHONSE OUMET: I would say that over the years the expenditures of Edmonton will increase, so will the revenues with the growth of the operation.

Mr. HORNER (*Acadia*): And they will become comparable with Edmonton and Vancouver?

Mr. ALPHONSE OUMET: No.

Mr. HORNER (*Acadia*): Edmonton is going to be the weak sister of the three stations?

Mr. ALPHONSE OUMET: I do not think you can say it will be the weak sister of the stations. I do not think at this stage yet that we have as much to show on our network from Edmonton as there might be from Vancouver. Vancouver has been developing for 25 years because we have been operating there for that long.

Mr. BALDWIN: I have a supplementary point to that. Mr. Ouimet, you would not suggest that there is a difference in expenditure because it is more difficult and expensive to portray Winnipeg and Vancouver than it is Alberta?

Mr. CHOWN: It is the availability of talent.

Mr. PUGH: Horseback riders, nothing more.

Mr. McGRATH: Are we going to proceed with Mr. Ouimet's statement?

The CHAIRMAN: I should think so.

M. FORTIN: Monsieur le président, je veux revenir sur la question qui a été posée par M. Lambert, ainsi que la réponse que M. Ouimet y a donnée. Évidemment, si j'ai mal interprété les paroles de M. Ouimet, je sais qu'il se fera un plaisir de me corriger.

Il a dit que le Parlement s'inquiétait des déficits de la société Radio-Canada et du fait qu'il semble que la Société ne sait pas toujours de quelle façon l'argent est dépensé. Je crois que le Parlement ne s'inquiète pas tel-

lement des déficits de la société Radio-Canada. Il ne s'inquiète pas non plus de ce que la Société ne saurait pas où va l'argent parce que, somme toute, nous avons la certitude de savoir comment l'argent est dépensé; mais ce qui inquiète le Parlement—et nous croyons avoir certaines preuves—c'est que l'on pourrait probablement atteindre le même but en comprimant les dépenses. C'est ce qui nous amène parfois—et je crois qu'on y a fait allusion—à poser certaines questions au ministre du Revenu national au sujet de certaines émissions. Nous sommes d'avis qu'en plusieurs circonstances, on a réalisé un programme utile, intéressant et bien fait, mais qu'on aurait pu réaliser le même programme en dépensant moins d'argent. Par exemple, j'ai posé une question au ministre du Revenu national, à la Chambre des communes, il y a environ deux mois, au sujet d'une série de reportages en Europe, alors que l'on y avait envoyé un journaliste, ou plutôt un homme très en vue du nouveau parti. On l'avait envoyé en Europe pour interviewer certains individus, dont M. Bourguiba, alors que nous savons pertinemment que la société Radio-Canada—elle l'a admis elle-même—a en Europe des journalistes, des reporters, des hommes compétents, que l'on ne voit pas souvent à la télévision et qui auraient pu faire ce travail, ce qui aurait certainement occasionné des dépenses moindres que d'envoyer un journaliste de Montréal.

C'est ce que nous avons à l'esprit. Nous savons que la société Radio-Canada doit accuser un déficit. Nous sommes convaincus que la Société sait comment l'argent est dépensé, mais ce qui nous inquiète, c'est que, il me semble, souvent, on ne prend pas le moyen le plus économique, mais le plus dispendieux.

The CHAIRMAN: How do you expect me to hear that when it is practically a ten-minute statement? I have not had it translated.

Mr. FORTIN: It is not my fault. When you speak I understand you very well.

The CHAIRMAN: Could you break it up into shorter pieces?

Mr. FORTIN: I hate to break my opinions. I stick to them.

Mr. TREMBLAY: We should have simultaneous translation here in the committee.

Mr. PUGH: We would all go crazy.

Mr. ALPHONSE OUMET: I would like to reply to that question. The first part of it had to do with my previous remarks. Let me assure Mr. Fortin that I am not in any way concerned with the attention that the government of today, or the government of previous days, is giving to our expenditure. I think that this must be so, and I do not think anybody has ever questioned that. But I did try to convince you that the word "deficit" as applied to the money which is voted to the corporation was perhaps not the proper word, and you were using it yourself two or three times in your questioning. You were using the word "deficit".

Mr. FORTIN: Are we voting too much money?

Mr. ALPHONSE OUMET: And we have not had a deficit for quite some time.

As to the general case you put, that the C.B.C. knew where the money was spent, but that what you and some of your colleagues objected to was the suggestion that we were not spending it in the best possible way,—as to that suggestion, I would say you would have to be more specific. I can answer when I know what was at the back of the question. But when you make a general statement that the C.B.C. should be able, obviously, to give the same program for less money, you are making a judgment on a very highly technical question. We have been trying, and as a matter of fact the C.B.C.



does better in this respect than any other comparable broadcasting organization. I stand on that statement. I would like you to examine the costs of other network operations and see where the C.B.C. is in any way less efficient.

Now, I am not saying that everything is 100 per cent efficient. I am sure that there are things going on which, if I knew about them, or if people had time to look into them, would be changed; but I do not think that the amount involved is something very serious over the year.

I think that our total output and its cost represent an efficient operation, and I do not think anyone has yet shown that it does not. A lot of people have wondered whether it was efficient, but I do not think anyone has shown that it was not.

In the case of Mr. Bourguiba, I would ask the general manager of our French networks to reply to this question, because he knows a great deal more about it than I do.

Mr. MARCEL OUMET: I would like to point out, first of all, that the journalist Mr. Fortin talked about did not go overseas to interview President Bourguiba. He was sent overseas to make a report on a situation of which a great many people were taking notice in Canada—were taking great cognizance of—and to which a great deal of attention was being paid. That was particularly in Algeria, where a situation had developed over the years and was becoming very acute. While Mr. Pelletier was in Tunis he found that Mr. Bourguiba would be available for interview in Tunisia. I do not think that any journalist worth his salt would have missed the chance of an exclusive interview with the president of the republic of Tunisia. So he flew to Tunisia, and interviewed President Bourguiba at no cost except that of transportation; and that interview was acclaimed widely by the press and acclaimed as well by those in diplomatic circles in Ottawa here.

Mr. FORTIN: Do you think that O'Leary could have done as well?

Mr. MARCEL OUMET: Mr. O'Leary could have done as well, but O'Leary does not happen to be always available. Our correspondents in Paris, you might be interested to know, might be away from base as much as 200 or 225 days a year. I can tell you from memory that Mr. Lachance was away from Paris in 1959 for all but 88 days. O'Leary and Lachance have to cover the Middle East, North Africa, South Africa, Central Africa, Europe and so on. They are on direct news assignment—not this type of assignment.

Mr. FISHER: Could I interject? I was bothered by this, and cannot follow Mr. Fortin's remarks, on this new party business. Where does that come in with President Bourguiba? I am interested in the new party, but never heard of Mr. Bourguiba in connection with it in Canada.

An hon. MEMBER: The new party has just compiled a new plan on that.

Mr. FISHER: I wonder why it was brought in?

Mr. McGRATH: I was interested in the president's statement on finances, in his interpretation of budgetary deficits. I suppose it is a technicality, but to most of us the deficit of the C.B.C. is the cost of the operation, less the total amount of the commercial revenue. Now, what would be your interpretation?

Mr. ALPHONSE OUMET: What words would you use if we did not have any commercial operations? Would you still call it a deficit?

Mr. McGRATH: No.

Mr. ALPHONSE OUMET: That is just the point. It has been decided by all royal commissions, parliamentary committees over the years, and by the act itself, that the corporation is a publicly-owned organization which has to render a national service, and that it receives money from parliament for that



purpose. Then it has been agreed that the drain on public funds could be reduced by the corporation entering into commercial operations—and we do. We are not a commercial undertaking.

Mr. McGRATH: But you are—in this regard, Trans-Canada Air Lines was set up as a public corporation, but they do not have an operating deficit.

Mr. CHOWN: As a matter of fact, they do, this year.

Mr. ALPHONSE OUIMET: We are not set up as a commercial corporation. We are a public institution which is in the happy position—

Mr. McGRATH: But you are in the commercial field.

Mr. ALPHONSE OUIMET: We are in the commercial field, obviously, to the extent that it reduces the drain on the taxpayer if we can sell some of our programs, some of the spaces between them for commercial advertising; but this is not our primary objective. Our primary objective is to serve the public and to serve the public is not at all the same thing as trying to balance the budget commercially. If you could do both, so much the better, but in our case we cannot, it is impossible. I do not think any commercial company of any kind, whether privately owned or publicly owned can operate a national broadcasting service in Canada and do it with a balanced budget. You will be able to judge. There is a second network being set up. Just see what kind of programming they will be able to produce, how many parts of the country they will be able to serve, at a profit.

Mr. HORNER (*Acadia*): If they were not, they would not be doing it, I am sure.

Mr. PUGH: I have a supplementary question to ask. You produce other than commercial programs and still, would you in any event be producing them if you were not able to sell them?

Mr. ALPHONSE OUIMET: This is the whole question. When we set up our programming schedule we set it up on the basis of a balanced schedule in terms of our public service objectives to the country. We look at it and say there is not enough serious music, therefore, let us add serious music; or we may say the opposite. But the decision to give certain types of programs rather than others is always on the basis of public service. Then, after we have decided that, we go out and try to sell those things which can be sold. Obviously, when we have programs which are prepared for the use of a minority, obviously they cannot be sold. Then, we have very strict policies with respect to the selling of our news, to the selling of politics, to the selling of religion, and all these things. We are not a commercial corporation.

Mr. McGRATH: All right, Mr. Ouimet, let me take it from there. Very conveniently in your statement, for the purposes of your financial statement and the argument you advance, you compare the C.B.C. to the American networks which are strictly commercial, and to the B.B.C. which is strictly non-commercial. On other occasions, the corporation has gone to great pains to deny that you make an analogy here, because in effect you are in a class by yourself. You are not a commercial corporation, yet you are in a very highly commercial competitive business. How can you then for the purposes of your financial statement, compare the corporation to the three American networks or to the B.B.C.?

Mr. ALPHONSE OUIMET: I compared the corporation to the three networks in the United States and to B.B.C. in England, which represent extremes in the various systems of broadcasting in the world, simply to show that our operating costs, the unit cost of programming of the C.B.C., was better than either the commercial system of the United States or the non-commercial system of England.

Mr. CHOWN: That is fair. That is a fair report of what he said.

Mr. TREMBLAY: Monsieur le président, je voudrais revenir à la déclaration que vous avez faite au début, et surtout à la réponse que vous avez donnée à M. Fortin.

Vous avez dit qu'il avait une mauvaise interprétation du mot «déficit». J'en veux bien convenir, mais cette situation est peut-être attribuable au fait que Radio-Canada paraît extrêmement peu désireuse de fournir au public des renseignements sur le détail des dépenses. Et remarquez bien que je n'accepte pas l'observation que vous avez faite à savoir que, dans certains cas, on puisse disposer de toutes les objections des députés en faisant remarquer que ces messieurs ne sont pas des experts en matière technique. Je n'accepte pas une réflexion comme celle-là, parce que vous savez très bien que les députés, tout comme vous, monsieur le président de la Société, peuvent demander, le cas échéant, le conseil et les avis d'experts.

Nous ne sommes pas une république. Le fait est que notre pays est dirigé par le gouvernement canadien et que ce n'est pas un gouvernement de technocrates. Nous avons, avant tout, un gouvernement pour le peuple, élu par le peuple. Nous pouvons recourir aux services d'experts en matière technique lorsque nous en avons besoin, et c'est ce que nous entendons faire dans le cas de la Société.

Pour ce qui est de l'incompréhension sous toutes ses formes, cela provient de certains réponses que la Société nous donne. Par exemple, il y a quelques temps, un collègue a demandé le détail de certaines soumissions qui avaient été réclamées par la Société pour un contrat; et la Société a refusé de donner le détail de ces soumissions en disant que cela n'était pas dans l'intérêt public. Eh bien, monsieur le président, et je vous serais extrêmement reconnaissant de le noter: Est dans l'intérêt public toute dépense qui est faite à même les deniers publics, et cela n'exclut aucune dépense de la société Radio-Canada, y compris l'achat d'un crayon ou d'une gomme à effacer.

Mr. ALPHONSE OUMET: Mr. Tremblay, I do not think I will deal with all the aspects of your questions, because I do not think I remember all of them, but I would like to underline that I did not refer to the members of this committee as not being experts. I simply said that the question of how much a program could be produced for was a highly complex matter. I did not say anything else on that.

Furthermore, not this government, but the previous government had a number of experts looking into the corporation, at length, for more than a year, with at least four representatives of the firm of P. S. Ross, management consultants and accountants. They went through all our books and all our operations—and we were operating with television at the time, that was four years after the start of television. If you would read the Fowler report you will see that there is no suggestion that there is any serious deficiency in the corporation with respect to management of funds, or with respect to wastage or inefficiency. This has been done, and we welcome this kind of inquiry into the corporation. It may be that there is need for one which would do it thoroughly now.

The basic thing that I have somehow to get across is that the C.B.C. is not a badly run commercial operation in need of a hand-out from the government. It is a public institution which is paid for the services it has been asked by parliament to give to the country. Parliament, in order to save public funds, has decided that the C.B.C. would also operate commercially, so when we do operate commercially we have to operate as a commercial business would do. We are at that time in competition with other broadcasters. We have then to observe the commercial practices which govern relations with customers, in our dealings as a corporation with our customers. This is where we have these

problems of the C.B.C. refusing to answer certain specific questions when it comes to payment of money. We are partly in commercial operation, but it is a secondary purpose of the corporation.

Mr. McGRATH: Mr. Chairman, I had not finished my last question. In regard to our next meeting on Thursday, conceivably the report of the proceedings will not be available, so I wonder if we could have some guidance on this matter, and whether it would be possible to get a copy of Mr. Ouimet's statement.

Mr. ALPHONSE OUIMET: I do not know exactly what I said. I have some notes, but I departed from them considerably. However, it can be done, with the help of the reporters.

The CHAIRMAN: We could use the services of the reporters.

Mr. FISHER: I would like to give notice of a question. I would like some breakdown of the relative costs of the French network and the English network of T.V., so that we can arrive at some capital appraisal of the cost.

Mr. ALPHONSE OUIMET: That will be done.

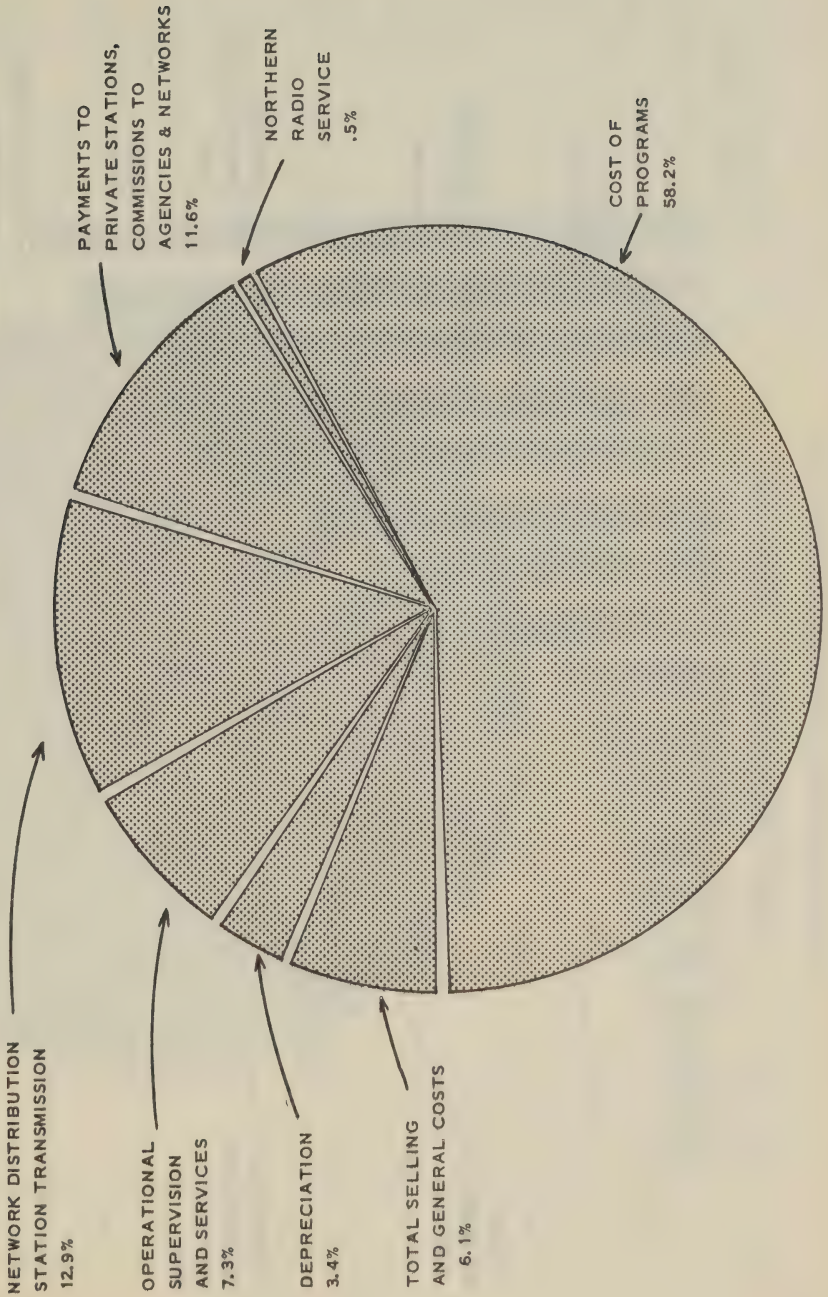
Mr. HORNER (*Acadia*): I wonder if we could have a breakdown of sales, how the sales are arrived at, what programs there are, what type of sales, or how they arrive at their commercial revenue, where this is through picking up network programs such as the Ed Sullivan show, or the Perry Como show, or whether it is some local sale of some local show.

—The committee adjourned.



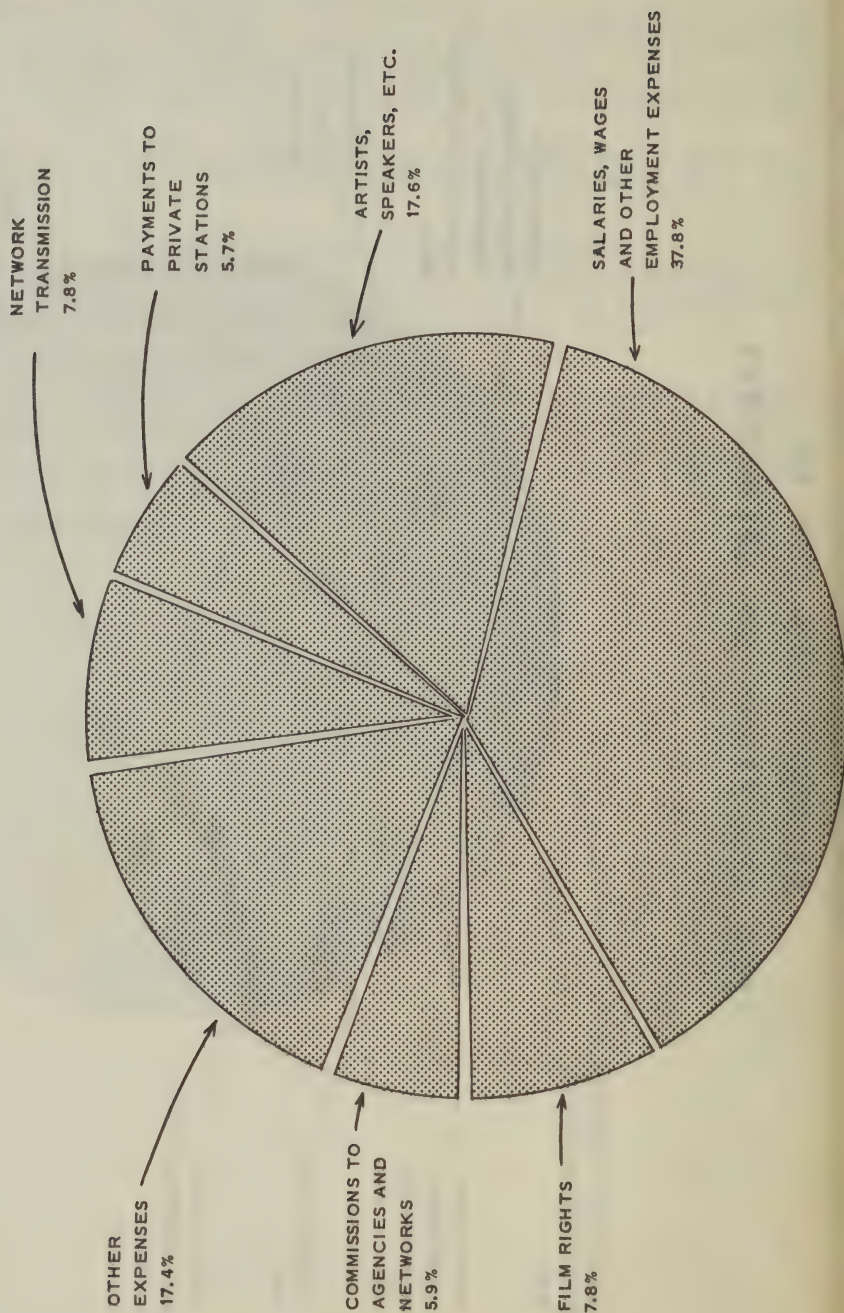
APPENDIX "A"

EXPENDITURES 1959-60  
PER STATEMENT OF OPERATIONS



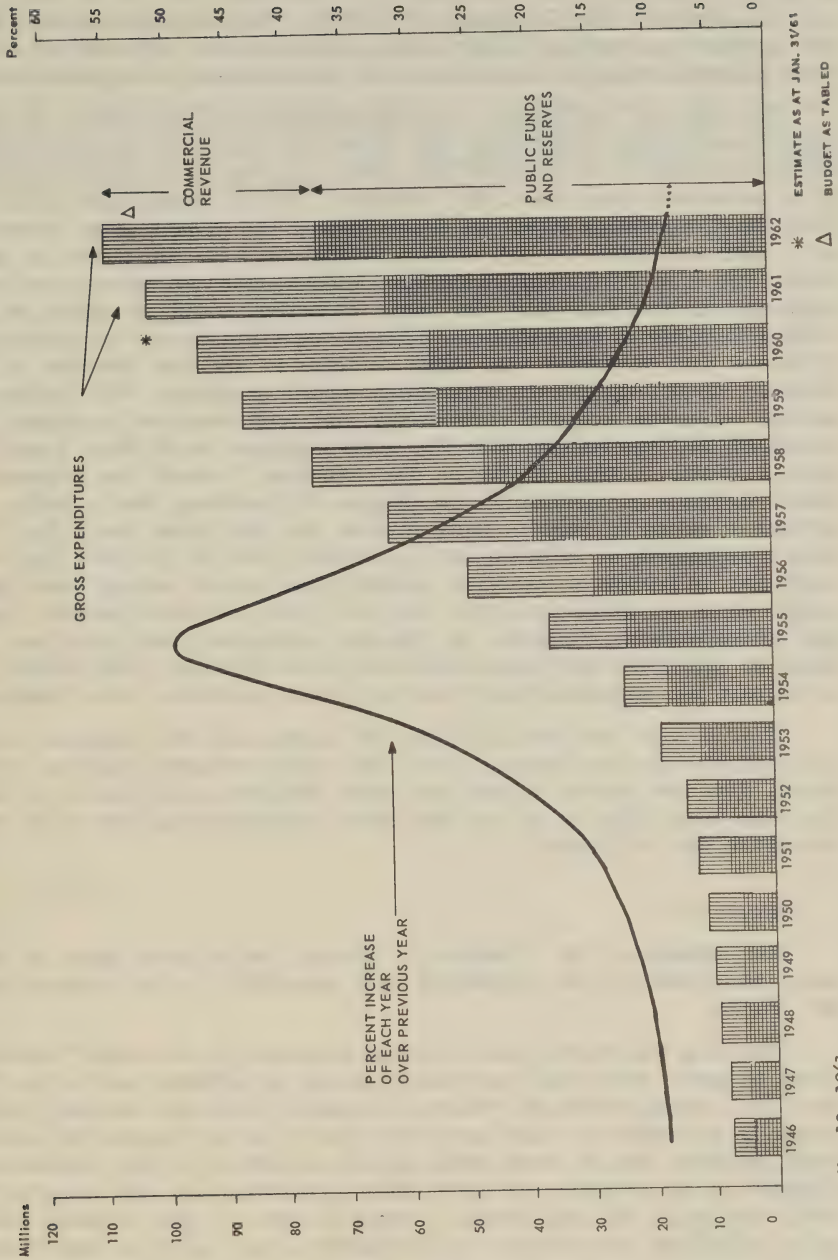
## APPENDIX "B"

CANADIAN BROADCASTING CORPORATION  
EXPENDITURES 1959-60  
PER BUDGETS TABLED



APPENDIX "C"

CANADIAN BROADCASTING CORPORATION  
GROSS EXPENDITURES & REVENUES-RADIO & TELEVISION - 1946-1962  
& PERCENT INCREASE OF EXPENDITURES BY YEARS





THE FOLLOWING IS AN ENGLISH TRANSLATION OF THE DELIBERATIONS CARRIED ON IN FRENCH ON THIS DATE

(page 563)

Mr. FORTIN: Mr. Chairman, I wish to return to the question asked by Mr. Lambert as well as to the answer given by Mr. Ouimet. Of course, if I have misinterpreted Mr. Ouimet's words, I know he will be glad to correct me.

He said that Parliament was concerned about the deficits of the Canadian Broadcasting Corporation and about the fact that the Corporation does not always seem to know how the money is spent. I do not think Parliament is so concerned about the C.B.C.'s deficits. Nor is it concerned about the fact that the Corporation does not know where the money goes because, when all is said and done, we are certain to find out how the money is spent; but what does give Parliament cause for concern—and we believe we have some evidence—is the fact that the same objective could probably be attained with a decrease in expenditures. That is what has caused us sometimes—and I believe that reference was made to this—to ask the Minister of National Revenue certain questions concerning certain programs. We believe that on several occasions a useful, interesting and well executed program has been produced, but we believe that the same program could have been produced with a smaller outlay of money. For example, I asked the Minister of National Revenue a question in the House of Commons two months ago concerning a series of reports from Europe. At that time the C.B.C. had sent over a journalist, or rather a very prominent man in the New Party. He had been sent to Europe to interview certain personalities, among them Mr. Bourguiba, when we know for a fact that the C.B.C.—it has admitted this itself—has correspondents, reporters in Europe, competent men who are not seen often on television and who could have done that job. This would certainly have been less expensive than sending a newspaperman from Montreal.

That is what we have in mind. We know that the Canadian Broadcasting Corporation must show a deficit. We are convinced that the Corporation knows how the money is spent but what disturbs us, it seems to me, is the fact that very often it is not the most economical but the most expensive procedure that is followed.

(page 567)

Mr. TREMBLAY: Mr. President, I should like to come back to the statement you made at the beginning and especially to the answer you gave Mr. Fortin.

You said that there was a misinterpretation of the word "deficit". I am ready to agree with that, but this situation is perhaps due to the fact that the C.B.C. seems extremely reluctant to make public any detailed information about its expenditures. And note well that I do not accept the remark you made, namely that in some cases all the objections of the members can be disposed of by pointing out that those gentlemen are not experts in technical matters. I do not accept a remark such as that because you know quite well that the members of Parliament, just as you, the President of the Corporation, can seek the advice and counsel of experts if necessary.

We are not a republic. Indeed, this country is ruled by the Canadian Government, which is not a Government of technocrats. What we have, above all, is a government for the people elected by the people. We can requisition

the services of experts in technical matters when we need to, and that is what we intend to do in the case of the Corporation.

As for misunderstanding in all its forms, that arises from some of the answers given us by the Corporation. For example, sometime ago a colleague requested detailed information about certain tenders which had been called by the Corporation for a contract and the Corporation refused to give the details of those tenders, saying that it was not in the public interest. Well, Mr. Chairman, I should be extremely grateful if you would note this: Any expenditure made from public funds is in public interest, and that does not exclude any expenditure of the Canadian Broadcasting Corporation, including the purchase of a pencil or an eraser.









HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 22

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THURSDAY, MAY 18, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation; Mr.  
E. S. Hallman, Vice-President, Programming.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, May 18, 1961.

(25)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Baldwin, Chown, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell, MacEwan, McGrath, Mitchell, Pratt, Pugh, Regnier, Simpson, Tremblay, Webb—(17).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. Alphonse Ouimet; President; Captain W. E. S. Briggs, Vice-President; Mr. V. F. Davies, Comptroller; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. E. S. Hallman, Vice-President, Programming; Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

The Chairman opened the proceedings by first commending the reporters and the staff at the Printing Bureau for the speedy publication of the report of the proceedings of the last preceding meeting. He then informed the Committee that the documents, requested on May 2nd by Mr. Horner (*Acadia*), concerning the standards that govern the Corporation's staff in the production of programs in the areas of news, public affairs and general TV, were now available, in the following order:

- (a) News and Public Affairs Programs, issued by Board of Directors.
- (b) Public Affairs Broadcasting in the CBC
- (c) CBC News Directives and Style Guide.
- (d) Policy Guide—Good Taste in Broadcasting
- (e) Violence in Television Programs
- (f) Programming: Policy & Procedures
- (g) Drama in the Field of Controversy

In view of the bulkiness of these documents and of the fact that a distribution thereof forthwith might unduly delay proceedings, it was agreed that a set of all the said documents be delivered later to each Member's respective room.

Another return was tabled by the C.B.C. in answer to requests therefor made on May 4th by Messrs. Horner (*Acadia*) and Chown and relating to fees paid to persons performing on radio and television. Copies of the return were distributed around. However, at the suggestion of Mr. Chown, it was agreed that the said return be appended to the printed record of today's proceedings. (*See Appendix "A" hereto*).

An answer to a question asked on May 16th by Mr. Horner (*Acadia*) relating to staff in C.B.C.'s New York office was read into the record by the Chairman. (*See page 577 of today's evidence hereafter*).

The Committee resumed from Tuesday, May 16th, its adjourned enquiry into the affairs of the Canadian Broadcasting Corporation, with Mr. Alphonse Ouimet still under questioning.

At the outset of his testimony, Mr. Ouimet filed copies of a list showing the main operations of each location, which the witness described as a supplement to appendix "B" to the Proceedings and Evidence of May 4th (No. 18) and appendix "A" to the Minutes of Proceedings and Evidence of May 9th (No. 19). Copies of the said list were distributed around. However, at the suggestion of Mr. Chown, it was agreed to append the list to the printed record of today's proceedings. (*See appendix "B" hereto*).

The examination of the witness was momentarily suspended for the consideration and eventual adoption of the following resolution:

On motion of Mr. Chown, seconded by Mr. Pratt:

*Resolved*,—That Mr. M. A. Henderson, Auditor-General, be called to testify before the Committee on Tuesday, May 23rd and, if necessary, again on Thursday, May 25th.

The examination of Mr. Ouimet was then continued. Certain questions on matters relating specifically to programming were, by agreement, answered by Mr. E. S. Hallman, Vice-President, Programming.

A number of questions directed to Mr. Ouimet were taken as notices and the witness undertook to supply answers thereto at some subsequent meeting and/or at the earliest possible date.

And the examination of Mr. Alphonse Ouimet still continuing, it was adjourned until the next meeting.

At 11.00 o'clock a.m., the Committee adjourned to meet again at 9.30 o'clock a.m., Tuesday, May 23rd, 1961.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

THURSDAY, May 18, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, Miss Aitken and gentlemen. We now have a quorum and the meeting will come to order.

Before we start on the questioning, I should like to pay a tribute to our reporting staff and the staff of the printing bureau for getting out the report of our last meeting so rapidly. As you know, it was in your hands in your offices by about 3 or 4 o'clock yesterday, which I think is very, very excellent considering the difficulties under which they are working at the present time with so many committees sitting. I am sure all members appreciate their efforts.

Mr. CHOWN: Hear, hear.

The CHAIRMAN: Now, the C.B.C. has made available mimeographed copies of Mr. Ouimet's statement, as requested at the last meeting, and the Clerk can distribute them now, if members so desire. Is that agreeable?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: I also have a communication from Mr. Barry MacDonald, director, policy section, corporate affairs of the C.B.C.

In the committee on May 2 Mr. Horner requested a statement of the standards that govern corporation staff in the production of programs in the areas of news, public affairs and general TV. The following documents, each in fifty (50) copies, are enclosed in answer to this request:

- (a) News and public affairs programs, issued by board of directors
- (b) Public affairs broadcasting in the C.B.C.
- (c) C.B.C. news directives and style guide
- (d) policy guide—good taste in broadcasting
- (e) Violence in television programs
- (f) Programming: policy and procedures
- (g) Drama in the field of controversy.

On May 4 Mr. Horner asked for a return showing frequency of use of artists. He explained that he wished to know how many artists, as distinct from staff, were earning a living from the corporation. On the same day Mr. Chown requested a return showing the number of artists used in categories according to amounts earned from the corporation. A table is attached in fifty (50) copies which, it is hoped, will satisfy both these requests.

On May 16 Mr. Horner asked about the number of staff in the C.B.C.'s New York office. The corporation employs three Canadians there, including one who is a correspondent under contract.

Yours sincerely,

(Barry MacDonald)  
Director, Policy Section,  
Corporate Affairs

The number of documents is exceptionally bulky and, if the documents were to be distributed now, I am afraid members would have to have runners to carry them. Therefore, if it is agreeable, we can have them distributed to your offices.

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Now, I believe Mr. Ouimet has some statement to make in connection with one file that was returned.

Mr. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): In answer to questions from Mr. Horner and Mr. Chown we have already filed with the committee two lists, one showing the expenditures per location, and the other one showing the staff per location. It has struck us that a third list might be useful to the committee considering the first two, and that is a list showing the main operations at each location.

When we speak of the Montreal location we are not speaking only of one transmitter or one station. There are a number of operations located in Montreal, and the same applies to all our major centres. If it would be helpful to the committee we could have this list, which is a description of our main operating units in each location, distributed now.

The CHAIRMAN: Is it the committee's wish that this be distributed and added as an appendix to the evidence today?

Some hon. MEMBERS: Agreed.

Mr. CHOWN: What about the other Chown-Horner question? Is the answer to that going to be so bulky that it cannot be made an appendix, and so complete the record?

Mr. OUIMET: No—that is not a lengthy answer. That is the one specifically referring to your question and Mr. Horner's question.

Mr. CHOWN: May I move that be made an appendix also?

The CHAIRMAN: You wish that it be made an appendix?

Mr. CHOWN: Yes.

The CHAIRMAN: What about the other material?

Mr. OUIMET: The other material is bulky. For example, it contains the policy and directives for the news. That takes up about 40 pages, and then there are other documents.

The CHAIRMAN: Do you wish to have the answer concerning artists and their salaries printed as an appendix to today's proceedings?

Mr. CHOWN: Yes, please.

The CHAIRMAN: Would you like to have it distributed now?

Mr. CHOWN: Yes. I think that would be a good idea, Mr. Chairman.

The CHAIRMAN: At our last meeting we were still on a discussion of the statement by Mr. Ouimet on operating revenues and expenditures.

Mr. CHOWN: Mr. Chairman, at this time I would like to indicate to the committee, as has been done by other members, the need for us to call an independent witness. In respect of finances this is particularly important. I have a feeling, based on earlier questions addressed to Mr. Ouimet, that the Auditor General would and could provide useful assistance to this committee at our next meeting, or certainly on the occasion of our meeting next Thursday when we will be sitting both in the morning and afternoon. One thing I would like to clarify by way of interrogation of him is, for example, the question I asked Mr. Ouimet quite early in the proceedings with regard to the retention of management consultants with regard to a particular and specialized phase of the operations of the C.B.C. If there is a seconder, I will move that at our meeting on Tuesday of next week, and if necessary again at the Thursday

meeting next week, Mr. A. M. Henderson be called before this committee to give evidence.

Mr. PRATT: I second the motion.

The CHAIRMAN: Does anyone wish to speak to this motion?

All those in favour; those opposed?

Motion agreed to.

Mr. CHOWN: I should add, by way of further comment, that it is known to the committee that the C.B.C. was on the agenda for examination by the public accounts committee in any event. It is quite obvious to all members that there will not be time for them to appear before that committee, nor will it be within the physical capacity of the officials of the C.B.C. So what I am doing is simply to cut corners by having Mr. Henderson here next week. This is the reason for my motion.

The CHAIRMAN: That has been agreed to by the committee.

Are there any questions?

Mr. FISHER: At the end of the last meeting I asked some questions. I wonder if Mr. Ouimet gave the answers. I wanted the relationship between the expenditures on the French network as against the expenditures on the English network in respect of television and radio.

Mr. OUIMET: We are working on this. I do not have the answer for you this morning.

Mr. McGRATH: Mr. Ouimet, in the second paragraph of your statement last week, concerning the use of the word "deficits", you used the following words:

The application of the word deficit to moneys voted by parliament to C.B.C. ahead of time so that it may carry out its mandate...

In your opinion does the mandate of the corporation differ today from what it was ten years ago?

Mr. OUIMET: No. The mandate has remained the same, I think, pretty well since the start of the C.B.C., speaking in a general way, of course.

Mr. McGRATH: Is it correct to interpret the mandate of the C.B.C. as being to provide a national radio service and subsequently a national television service?

Mr. OUIMET: Yes. I think, expressed in very general terms, this is correct.

Mr. McGRATH: The idea behind my question, sir, is that we now have second television stations in major cities and there is the possibility of a second network which takes the exclusive national service away from the C.B.C.; in other words, there are other people who are now capable of providing a national service. They are not on a par with the corporation, but they are capable of providing a national service with no cost to the taxpayer.

Mr. FISHER: On a point of order, this does not strike me as coming under finances.

Mr. McGRATH: On the contrary.

Mr. FISHER: I would like to raise the point that Mr. McGrath started off with the mandate of the C.B.C. There is nothing in the concept of the Broadcasting Act to the effect that private broadcasters of radio or television have been left out of the concept of a national service; that is, they are complementary. It seems Mr. McGrath's question is irrelevant so far as the C.B.C. is concerned.

The CHAIRMAN: I am wondering where this can be brought up if he wishes to pursue it.



Mr. McGRATH: I think my question is relevant. I understand, as I think most of the members of the committee do, that we are examining the financial statement made by the president last week. In prefacing my question I quoted directly from the statement.

The CHAIRMAN: That is true. I think probably you are right. If the statement has been made some questions can be asked on it.

Mr. FISHER: I will agree with that, but it seems to me the matter is redundant in that it is before us and the Broadcasting Act has been generally accepted. Where can the question lead us?

Mr. HORNER (*Acadia*): Would the proposed line of questioning not come under point 7, broadcasting facilities and operations, rather than finance?

The CHAIRMAN: I would not know. The fact of the matter is a statement has been made, and included in that was a statement that this was pursuing a mandate which was given to the corporation. I do not think anyone can question whether it is in order to ask questions on that statement.

Mr. OUMET: Mr. Chairman, I do not know whether or not the question is in order, but I would like to answer it. You have said, Mr. McGrath, that the mandate of the corporation might have been changed by the advent of second stations in television.

Mr. McGRATH: Perhaps it might be better to say it would need re-designing.

Mr. OUMET: Of course there have been second, third and fourth stations in radio for thirty-five years, I would say. I think the important point in your question is the suggestion that the second, private stations, as we call them, are in a position to provide a national service which in some way would modify the need to have the national service provided by the C.B.C. My answer to that suggestion is, this is not the case. The second stations, in the first place, are limited to a number of fairly major centers. I do not think anyone has suggested yet that this group of second stations would be national in the sense that it would cover the country.

I do not think that these second stations, and particularly the network that is being organized to link those stations, has ever stated it would be national in the sense that it would give a complete service—not only geographically, but complete in national terms.

Mr. McGRATH: What would happen in the event that the second stations were to form a network and draw in the affiliates in areas where you do not have a transmitter?

Mr. OUMET: This is a very, very important question. I hope we will be able to discuss it at some length. My answer would draw me far away from finances if I answered it in detail. However, to give you a short answer I would say that if this was done and that the second network depended to any extent on the C.B.C. affiliates for its coverage, I think in the long run it would gradually destroy what we have in the first network.

Mr. McGRATH: Are you saying then that we would destroy what is now conceived as the national broadcasting system, apropos of Mr. Fisher's suggestion—which is a fact of course—that private stations and C.B.C. stations together form the national system. Are you saying this would in effect destroy that situation?

Mr. OUMET: I think in the overall result of trying to do too much we would weaken the overall product. At the moment we have a national service which has been established not only by the C.B.C.; this is not a question of the C.B.C.—of public enterprise versus private enterprise. This is a question of the national service made up of the C.B.C. and all of its affiliates. The C.B.C. and its affiliates, over the last seven years—actually eight and a half

years—have built a national service which goes right across the country and which is complete I think in every respect in terms of the programming it gives to the nation. It provides not only those things which are commercially attractive but also provides many other programs which cannot be sold but which are of importance to the country.

Now that this is established, we have to be very, very careful in developing a second network. This must be developed in such a way that we do not build it up out of the bricks and mortar of the first network. We must keep intact what we have and let the other one develop. If we are not careful we may weaken what both private and public enterprise have worked so hard together for, over the last ten years.

Mr. McGRATH: Now, I will come back to my original question on the mandate. If it in fact happens that you have a second network—and it is conceivable this is going to happen within the near future—and you then have the publicly owned network and its affiliates competing with the network of second stations, is it probable it may draw in some of your affiliates? Then in effect you would be in an awkward position with regard to this national system of the corporation and the privately owned stations; you then would have to compete with them.

Mr. OUIMET: I will agree this is a complex system. That is why we have to be so careful in any decisions which are taken from now on. Now we have a new degree of complexity in the system. You have been speaking of competition. I believe I have had occasion to speak on that. I have tried to stress that the C.B.C., except in those cases where we may be trying to get the same advertiser's dollar, is not truly in competition with the private stations or the second network, because we do not have the same objectives.

Certainly, when we put a public service program on the air, with the full knowledge that we may be limiting our audience to 10, 15 or 20 per cent, this is not competition; on the contrary, it is one public service.

Then, you mentioned another thing. However, before I go to that, take, for example, any of the big events that we cover—and we have just covered the visit of President Kennedy to Canada.

Mr. McGRATH: And you did a very good job, too.

Mr. OUIMET: This sort of thing is not a commercial proposition. We compete with no one on this, and no one competes with us. It is for that reason that we must be maintained in a position where we have all the coverage that we require. We must have our affiliates in order to serve the nation.

Mr. McGRATH: You say you compete with nobody on a special event like the one you mentioned, and you gave a specific instance.

Mr. OUIMET: This may be an over-simplification. In a local case, we might.

Mr. McGRATH: But if there was a second network—

Mr. OUIMET: This was the point I wanted to come to. If there was, some day, a second network which did what the CBC network does, cover the country completely, cover the isolated communities, give a complete range of programming, good public service programs as well as commercial programs, then, of course, we would have to look at the situation. However, this will not happen for perhaps two or three generations.

Mr. McGRATH: Now, let us be realistic. We do not envisage a second network covering the remote areas of this country; we are thinking of a second network covering the populated areas of this country.

Mr. OUIMET: Do you know the plans of the second network at this stage?



Mr. McGRATH: I am thinking of a second network from coast to coast, and not a second network, without respect to cost, going in to cover remote areas. I am thinking of a second network in a competitive commercial area, as covering most of the major centers across Canada. You could have it from St. John's to Victoria.

Mr. OUMET: Do you know what the plans are of the second network? There was a public hearing very recently where the second network applied for authority to operate. At that hearing I think it refused to make any commitment whatsoever as to the amount of programming they would put on the network, and then, I believe, at a private hearing two or three days later they agreed to do 10½ hours of network programming, or what they called network programming.

Mr. McGRATH: Is that a week, or what?

Mr. OUMET: That is a week.

Mr. McGRATH: But that is only in the embryo stage; it is growing.

Mr. OUMET: I understand that, and I have a great deal of sympathy for the problems they have. However, I would like to describe what is planned.

Mr. CHOWN: I do not know whether or not it was audible, Mr. Chairman, but Mr. Baldwin interjected "especially of nourishment".

Mr. OUMET: Furthermore, this second network will be connected in the near future between only the cities of Toronto, Montreal, and Ottawa, and its plan is to use the microwave facilities after the C.B.C. stops using them late in the evening, in order to transmit programs for taping. In other words, it will not be an instantaneous network, and I think no one foresees anything but a fairly limited operation for some years to come.

Furthermore, it has been stated, categorically, by the promoter of the network that there would be no network programs unless they were sold. So, this is an entirely different kind of operation. However, it is a very useful kind of question, because it will help the second stations to exchange some of their programs between themselves, and will provide, I am sure, a very welcome choice to some of the viewers who are limited at the moment to one program service. However, that will be only in the larger cities.

Mr. McGRATH: I notice that your budget is up this year, over last year. I do not know the exact amount. Would you correct me, if I am wrong in using the proper word. Perhaps I should say "deficit".

Mr. OUMET: I was glad to notice that.

Mr. McGRATH: I have a question in connection with your budget. Is it up over last year because of the fact that you have taken on a program of competing, of having to be more aggressive in your competition, more particularly in the areas where you depended on a good deal of your commercial revenue in the larger centers of population, which now have second stations?

Mr. OUMET: The budget is up this year for two reasons. The most important single reason is that the advent of second stations has meant that there is less of the advertising dollar coming into the C.B.C. coffers. I think this is a logical thing to expect. The advertisers are not going to spend twice as much just because there are two stations in any one location. So, particularly at first, we expect to lose some of our commercial revenues.

Then, the second reason why the budget is up is because, as I explained to you, we have not yet reached a stable position in terms of our develop-



ment. We are still developing in TV because of an increase in coverage and also because of the development of techniques. In other words, we have to keep up.

Mr. McGRATH: You mentioned an increase in coverage. You now have 95 per cent coverage.

Mr. HORNER (*Acadia*): 94 per cent.

Mr. OUIMET: We have 94 per cent coverage, in terms of what we call the total "C" contour coverage, and the letter "C" here is used to indicate the kind of coverage which is suitable in the development stage of television but which, in the long run, will not be suitable. However, if you take the "B" contour, which is accepted internationally, we have something of the order, I believe, of 86 per cent, instead of 94 per cent. But, whether it is 86, 94, or 90 per cent, that last 10 per cent, or whatever it is—

Mr. FISHER:—is very important.

Mr. OUIMET: Yes, it is very important, but much more costly to provide per home than the first 90 per cent.

Mr. PRATT: Would you entertain a supplementary question at this time?

Mr. REGNIER: I have a supplementary question.

The CHAIRMAN: Have you a supplementary, Mr. Fisher?

Mr. FISHER: Yes.

I wanted to question on the same field. It was my wish to ask Mr. Ouimet some questions about the availability—as the C.B.C. has studied the market—of commercial revenue. I would like a statement from Mr. Ouimet which would be a little more elaborate than the brief remarks he has made as to the future of commercial revenue in the whole Canadian picture, whether it is the C.B.C. or private stations.

Mr. PRATT: My question is a brief one.

Mr. REGNIER: Mine is a supplementary question.

Mr. CHAIRMAN: There are several supplementaries.

Mr. FISHER: I had my hand up first.

Mr. OUIMET: May I give a fairly short answer to Mr. Fisher's question at this time and, if you wish, we could go at much greater length into the commercial picture when we are discussing our commercial operations.

There is no doubt that the advent of second stations in the major markets has had the inevitable effect of making it more difficult for the corporation to get the commercial return it was able to achieve when it had a monopoly on these markets. I think you would expect the same thing in any other kind of operation.

The effect of the second station must be coupled with the general economic condition which exists at the moment. I believe, in respect of network advertising, this last six months have made it more difficult, because the advertisers are watching their budgets very closely partly because of the second stations and because of the general economic situation in the United States and Canada. The result of those two factors has been that in the last quarter of the year just ended—that is the months of January, February and March—our commercial revenues were considerably less than they were expected to be in the first place. I believe they were something like one million and a quarter or one million, four hundred thousand less than we had estimated.

Mr. FISHER: Is it not a fact that in North America there has been a stabilization in the relationship of the shares of the commercial revenue market between the various media, and that the newspapers which are the

greatest advertising media pretty well have nailed down, or pretty well stopped, the inroads which TV was making into their share of the total commercial revenue dollar.

Mr. OUIMET: I believe this would be correct, as a general statement applying it to North America. We have hoped that in Canada television and radio could improve its share of the total advertising revenue or expenditure of the country.

Mr. FISHER: The point I would like to elicit, if I can, is that you are working within very definite limits. The limits may shift and change to a degree, but there is very little possibility of seeing an outstanding advance either by the private stations or the C.B.C. in the total picture in respect of obtaining a great deal more of the commercial revenue in the near future.

Mr. OUIMET: I would say that this is the case.

Mr. FISHER: In 1955 I believe Mr. Dunton assured this committee, or a forerunner of this committee, that the C.B.C., if it is encouraged to do so, would go out after commercial revenue. I think the Fowler commission substantiated this, as did the committee of two years ago. Several times you have given an indication that this has a possible deleterious effect on the future service you are trying to develop. This is the part of the finances I would like to hear about now.

Mr. OUIMET: Yes; I believe I have made the statement at least once or twice before this committee that the corporation is concerned about the degree to which it is being forced by circumstances, or in certain cases by advice, to enter the field of commercial operations. I am not suggesting that we could, or would, want to have a service which would not have any commercialization whatsoever. I think it is a good thing to have both kinds of programs. Recently, however, we have been worried that we might have reached the point where commercial considerations might make it more difficult to achieve our public service objectives. I think this is a very important distinction between the C.B.C. and what it does, and the second network, whatever it might develop into. We are a public service network, and we have to be careful, in our efforts to get more and more money, that we do not in any way depart from our main objective, which is to serve the public.

Mr. FISHER: Can you limit for us just what is this no-man's-land you are in. I think we all see what you mean; but let us define some of the problems which are associated on one side or the other.

Mr. OUIMET: I will start on this, and then ask our vice-president of programming, who is also responsible for the commercial side of our policy, to add to what I will say.

Mr. PRATT: May I ask one brief question on something Mr. Ouimet said just now.

The CHAIRMAN: Go ahead.

Mr. PRATT: Mr. Ouimet has suggested that one reason for the increase in the budget is the loss of commercial programs to private stations. Certainly when you lose a program you normally lose the revenue, but you also lose the expense. In other words your operations are curtailed, and therefore you would not need a larger budget unless you are filling in these blank spaces with sustaining programs. Is that the case? Are these commercial programs which are lost to private stations being replaced by the C.B.C. with other programs which do not bring in a profit? Otherwise, why do we have to have a higher budget for the C.B.C.?

Mr. OUIMET: We have not lost any programs to private stations, so far as I know. What we have lost is commercial revenue in the form of either sponsorship of some of our programs or in the presentation of commercial announce-



ments. That money which came to the C.B.C. now goes to finance the second group of stations, not, I believe, in terms of sponsoring identical programs, because I do not think the programs are identical, but simply in terms of putting their money into a different thing.

Mr. PRATT: If you have lost a sponsor of a program, that more or less makes it a sustaining program, unless you obtain a second sponsor.

Mr. OUIMET: Obviously, if we lose a sponsor for a program, then the program which was there in the first place, because it was necessary in providing a balanced service to the public, is still necessary after the sponsor has decided not to associate his name with it. Therefore, we carry on with the program. We try to get another sponsor, but if we cannot we carry on with the service.

Mr. PRATT: Sustaining?

Mr. OUIMET: Sustaining.

The CHAIRMAN: Now we might have the answer to Mr. Fisher.

Mr. E. S. HALLMAN (*Vice-President, Programming, C.B.C.*): The ways in which the demands of our commercial operation might affect the concept of public service, which I think has determined our policy for the last eight and a half years on television, I think are seen most clearly in some of the questions which have been raised this morning. It is obvious that one of the main factors an advertiser on the national network is concerned with is a minimum dollar expenditure coupled with a maximum exposure to viewers and the lowest cost per one thousand per commercial minute. That means that certain categories of programs which are based on a conception of service which is varied and comprehensive, which are directed towards informing, towards examination of public issues, may not command a broad, a wide, or a mass audience in the traditional sense. This is the kind of program that cannot be contingent upon commercial revenue and, if you base policy on that, we have not spent an excessive amount of time serving one kind of audience, a mass audience, at the expense of others. For example, your programs have to examine the Canadian influence, and to look at Canadians at home, at work or where they live and this may not be sponsorable. This may be a policy decision, whether or not to forgo revenue at that point in order to fulfil the public service responsibility.

In regard to the second aspect of it, in the case of loss of sponsorship that I think Mr. Pratt has brought up, we do have an obligation to provide the service within the pattern we have agreed to with our affiliates. It is not possible, simply because an advertiser declines, after operating under a contract, to continue his sponsorship, to leave a hole in the schedule and not provide that service to our affiliates, because that would be a drain on their profits as well. This is the kind of limitation which I think is brought into the system of sponsorship.

I think the point Mr. Fisher has made is that perhaps we are working within very rigid and tied limits, regarding the amounts of advertiser expenditure available to radio and television as compared to other media, but I would point out that the development of second stations within the main urban centres makes us somewhat different from the rest of the North American pattern. Certainly in talking to some of our colleagues in the field of advertising they have indicated that from their experience the printed media have been increasing in cost more quickly than television in some respects, but because it has been a gradual increase the advertiser in print has been willing to accommodate that within a gradually expanding budget. However, in the case of network television what you have here is a sudden policy decision on the part of the Canadian people to establish second television stations in some urban centres, and that represents a break in the gradual pattern of cost development.



That means that where an advertiser in, say, areas like Winnipeg and Halifax previously purchased all of his time on one station, providing total exposure, he now has to be on two stations if he wishes to get the same impact. Whether or not the advertisers have simply diverted their money to second stations, I am not at all sure that demonstrates a lack of confidence in the public network service. I think that if I were a national advertiser I would be very foolish not to buy an option on advertising through a second station in order to assess what the track record will be, but as yet the record is not established. I do not think we can speak with any confidence as to what the performance of our stations and of network versus selective is likely to be. Every indication we get is that national advertisers are good, conservative investors of their money, as they should be, and they are watching very quietly as to just what effect second station competition will have on our operations. However, I can assure you that so far as we are concerned we are not very pessimistic.

Mr. McGRATH: May I ask a question? You have mentioned the case of the advertiser now having to split his dollar between the C.B.C. stations and the private stations.

Mr. HALLMAN: I should add that many of our contracts are still in existence for the current year.

Mr. McGRATH: But this indicates the trend that the advertiser is buying locally instead of nationally?

Mr. HALLMAN: No, it indicates his opportunity. He can make that choice, where before he could not do so.

Mr. McGRATH: In the case of Halifax, Toronto, Vancouver and wherever the second stations are, have you got to reappraise your rates?

Mr. HALLMAN: No, we have not got to reappraise our rates.

The CHAIRMAN: Have you finished, Mr. Fisher?

Mr. FISHER: No.

The CHAIRMAN: Then continue.

Mr. FISHER: Perhaps Mr. Ouimet could give us an example of how this trend could affect the public service part of the C.B.C. mandate. Is it just simply a matter of cost, or is it a question of prime time and public service programming? Look at it this way—I think you put a lot of your best public service programs on at lousy hours.

Mr. OUIMET: It is a consideration. We try not to go too far in that direction but, in order to achieve the kind of commercial revenue we have been achieving in television, we must give consideration to the total income of the corporation, which is the amount voted by parliament plus what we can achieve commercially. It is that total income which enables us to give the kind of program service that I think the public of Canada wants. Obviously, if you change the ratio of commercial revenue to the parliamentary grant, then you will affect the nature of the service. We think that on a long term basis if our commercial revenue becomes more than, say, one third of the parliamentary grant, we will start running into difficulties where commercial considerations may actually affect our ability to provide a certain kind of programming.

Mr. FISHER: I think members of the committee can appreciate that there may be a philosophical difficulty, in that for a private station or private network the basis of their funds is entirely rooted on commercial revenue. Now, we know from the information you gave us two years ago, that many of your commercial programs do not return their return expenses. Is there any kind of formula you could evolve or work out that would enable you

to put a pattern on this? I am talking about providing the extra expense over what the commercial revenue provides. I think this extra expense is justified by the fact that you are putting your programs into areas which commercial stations and networks will never touch, but is there any way you can appraise that fraction, or work out some kind of formula so that we would know you are not subsidizing General Motors on your networks while Ford is paying the whole sum on a commercial network?

Mr. OUMET: You have touched upon a difficult problem to cover within a short time.

Mr. McGRATH: He has, indeed.

Mr. OUMET: This was subject to a great deal of discussion two years ago, and I may repeat that we do not know of any formula that would do what you are trying to achieve. The only thing we can do is to plan our schedules on the basis of a balanced service to the public. I think this is our mandate. There must be something for all tastes, not only for what we call the mass taste, which is perhaps a bit of a fiction in itself as it is just a larger minority, but we must serve all minorities in turn. This determines what goes in a schedule, and once a schedule is made up then of course we try to sell those things which are attractive to an advertiser in terms of his sales of his product. There are other things that cannot be sold.

I do not know if there is any way of finding a formula which would eliminate this difficulty that we have had here. Drama that we produce, and which cannot be produced at lower cost if it is going to be the kind of drama we use, cannot be provided with a formula, which would fix the amount to be paid between the advertiser and the C.B.C., other than supply and demand. We get as much as we can from the advertiser. I do not mean in each individual case, but in terms of the prices that we ask for those programs at the beginning of a commercial season. By "commercial season" I mean at the beginning of the sales campaign of our commercial people.

Mr. FISHER: May I ask your vice president: when you are out making your sales, what is the formula you tote around in your briefcase?

Mr. HALLMAN: There is no single kind of approach and I do not think there can be. Looking at the Canadian situation, there are factors which affect prices, which affect dollar expenditures by many national advertisers on television. In the first place there are available to the English networks in this country, certainly to the second stations, the varied products of the United States. There are also, in some instances, the programs done by parent companies of Canadian corporations in the United States. So, there immediately you have a dollar comparison in terms of what it might cost the Canadian advertiser either to import—to buy his own parent company's programs, or buy a film which we might have purchased from a distributor in the United States. This is a cost factor which sets a limit on what he might be prepared to pay in terms of audience delivery; and there are other factors.

There are not that many national advertisers who can afford the budgets for major live Canadian productions. There are a number who can, and who do, and I think it should be made very clear that they pay the full costs of distribution. This is the same pattern that exists in the United States; and in the United States there are instances where the full costs of production are not paid by the advertisers as well. What we are getting at here is the cost of distribution and what kind of impact the advertiser is going to get. Obviously if it is a program we think we must have in the schedule, and which cannot be modified to make it significantly more



popular in the national sense, the advertiser is going to measure that against another kind of program for which he can pay less and get a mass audience. Our service responsibility has to be taken into consideration.

Mr. FISHER: I have got your ratings for the last couple of months, and I notice that N.H.L. hockey ran very high. It was always within the first three or four, always in the highest of the Canadian produced programs. So far as I am concerned this is a public service.

Mr. HORNER (*Acadia*): Are we not getting into programming?

The CHAIRMAN: It is on operating revenues.

Mr. FISHER: In that particular case you got from Imperial Oil all the distribution costs. Did you get the production costs?

Mr. OUIMET: Yes, absolutely.

Mr. FISHER: Do you make money on the N.H.L.?

Mr. OUIMET: We do.

Mr. FISHER: This is a plum, let us say. Now we shall return to Mr. McGrath's line of questioning about the effect upon a commercial network. We have already had the difficulty with the football, and that is bad enough for an ordinary M.P. to envisage. What is going to happen if N.H.L. hockey is bought out from under your noses by Imperial Oil? I want to know how much viability have you in competing for this kind of thing. This is for Mr. Ouimet. What role can the B.B.G. play in determining whether such a program is strictly a commercial program or is, as I believe it to be, a public service?

Mr. OUIMET: Before answering your question on football and B.B.G., I should like to go back on a couple of points which I do not want to lose completely, and which you have raised in your questioning. You have asked whether or not there was some kind of formula which could determine what the sponsor should pay for a program which is obviously more costly than his advertising purposes would justify. There is an inherent formula in commercial advertising, which is that the C.B.C. must be competitive with any other media, the press, the newspapers, the posters, and any other kind of advertising. Therefore, we must use the same kind of yardstick as these media use, and that is the cost per thousand people reached by a message of a certain length. In the case of radio and television this is what we call the C.P.M.P.C.M.—the cost per thousand per commercial minute. There is no use in trying to get more out of a sponsor than the maximum C.P.M.P.C.M. which would be competitive with other media.

Mr. FISHER: You have a survey for indicating your audiences?

Mr. OUIMET: The survey indicates our audiences not only for one day but also for many months to come. The sponsor knows very well what kind of audience to expect out of a certain station for a certain kind of program. Therefore he is able to determine his cost per thousand quite accurately and this is what, in fact, determines what we can charge him. I wanted to make that point because actually there is that formula.

Mr. FISHER: That takes us a long way from the area with which we are dealing.

Mr. BALDWIN: It takes us a long way from finance.

Mr. HORNER (*Acadia*): Quite a long way.

The CHAIRMAN: I wonder could we get along with some other questions.

Mr. FISHER: I have been sitting here for three meetings without asking any questions at all. If I cannot have my little say—



Mr. McGRATH: A point of order has been raised here. The item on the agenda covers operating revenues and expenditures. This is one of the major areas with which the committee has to deal, and I think this line of questioning is very important.

Mr. OUIMET: I have another point to make in connection with Mr. Fisher's question. He expressed the thought that we are putting out too many of what I think he called commercial type of programs during the peak viewing hours. He may be interested to know that we have been conscious of that danger and we have tried, in the coming schedule for the fall of 1961 and for 1962, to add three half hours during the peak viewing time which would be devoted to what I would call more meaningful programs.

The CHAIRMAN: Interviews with Mr. Fisher?

Mr. OUIMET: We had not thought of that, but it is a suggestion.

Mr. FISHER: I asked you to give me some information on the cost of the French networks as against the English networks. Looking at the ratings, there is a much higher listening ratio in French Canadian homes, and a much higher watching ratio, than there is in English-speaking homes. What effect has this upon the commercial revenue of the French networks?

Mr. OUIMET: I think it is a fact that the French Canadian viewer or listener, listens or views a little more than his English-speaking compatriot in terms of rating for any particular station. You must be referring to where there is only one station. Otherwise I do not know that the ratings are necessarily higher than they would be in other cities of Canada.

Mr. FISHER: What I was concerned with is that competition on the English-speaking network might put you in a very difficult situation commercially, whereas the French part of the C.B.C. operations might be much more of a going commercial concern.

Mr. OUIMET: Of course we have competition in the French language in Montreal. We hope that we shall be the second station in Quebec, but after that I do not know if there will be any applications for other stations in that area. Therefore, I would say the situation would be different there.

Mr. FISHER: Would you provide information to indicate how commercial revenue is working out on the French network as against the English network?

Mr. OUIMET: We shall do that.

Mr. CHOWN: This is just a brief question. Mr. Ouimet, you used the word "development" earlier in your evidence. Now, coming to your projected plans for the future, does development include acquisition of the necessary equipment to show coloured television?

Mr. OUIMET: Our long-term plans definitely include provision for colour. As a matter of fact, when we appeared before the Fowler commission our estimate at that time was that colour would start some three years after the commission made its report, but it has not materialized. We have plans for colour, but we have no date tagged to them because we are waiting for it to get off the ground in the United States.

Mr. CHOWN: Have you got any projected costings on that?

Mr. OUIMET: Yes, we have done projected costings.

Mr. CHOWN: Could you table some information on those?

Mr. OUIMET: Could we discuss this later?

Mr. CHOWN: I am sorry. I thought this was information you would have to obtain. It has to do with finances, and so is remotely related to this particular item.

The other matter I wished to question you about was capital. I gather that the amount of capital provided to the C.B.C. for such expenditures has

been fixed by statute, and perhaps varied from year to year, or at intervals of several years. I should like you to produce the history of any fixations that have been made by statute, or any other authority, over the period from 1952, when you started in television, up to the present time. Would that be possible?

Mr. OUIMET: You are speaking of capital, or money generally?

Mr. CHOWN: I am speaking of capital.

Mr. OUIMET: In terms of capital I do not believe the amount was ever fixed by statute. I believe the amount varied each year and in the last three years there has been a different amount voted each year. There has been a grant from the government, from parliament, and in prior years we had loans; but again they were variable. They were not fixed by statute. They were loans and we were expected to return them, and we started to pay back on those loans.

Mr. CHOWN: Then that would indicate you could produce the history of those loans or grants and the sequence of them as they were repaid, because this is reflected in your financial statements of 1959-60.

Mr. OUIMET: Yes; I think we can supply the history. You mentioned something about repayment of the loans. When the system was changed we had just made a couple of payments on our loans, so very little had been paid by that time.

Mr. CHOWN: In looking at your financial statement here of your costs of production and distribution I notice including network distribution, station transmission, and so on, they were \$32,580,000 roughly, and your commercial revenue, as against the programing, with advertising, amounted to \$38,162,000. This indicates you made a profit on that in the year 1959-60 of some \$6 million.

Mr. OUIMET: I wish I could say yes to your statement. Actually we did not make a profit. This is why the financial statement is shown in this way. We do not show the net on this for the good reason that in the cost of production and distribution of programs with advertising, and also without advertising, there are certain elements of cost which cannot be separated into one or the other. For example, we get quite a substantial commercial revenue out of the sale of commercial announcements—what are known in the trade as spots. Obviously a spot between two programs which are unsponsored brings revenue to the corporation; but it could not be sold unless there were two programs, so that the spot could be put in between. Therefore, programs without advertising enable us to sell certain kinds of advertising in between them. That is why it is impossible to separate them and do the net operation you have suggested.

Mr. CHOWN: In a projection of your net revenue you would have to take into consideration the fact that you will have a competitive network in the near future.

Mr. OUIMET: Yes, and this is reflected in our estimates for 1961-62.

Mr. CHOWN: Do you not go beyond that? You have not made a five year projection?

Mr. OUIMET: A long term one is very difficult to make at this time. We do not know how much of the decrease we will experience this year is due to the second stations, now much is due to economic conditions, and even that part which is due to the second station may have a certain novelty effect in it; perhaps some of the sponsors have adopted a wait-and-see attitude. We hope that in the years to come the situation will improve, but we do not know by how much. It is very difficult to predict.

Mr. CHOWN: The total cost of the production and distribution of programs in 1960 was \$80,968,000. I would like to have tabled, at your convenience, the



total number of programs which were original C.B.C. productions, the costs of those programs and the names of them. Is that too much?

Mr. OUIMET: There are six or seven thousand of them.

Mr. McGRATH: Would you amend your question to the programs which cost over \$1,000?

Mr. CHOWN: That could be given as an addenda to the answer to my question, and perhaps the percentage of the total. Maybe you could work it out from the total cost of production which I quoted earlier.

Mr. OUIMET: I think we can give you the number of programs originated for our network, and locally in toto. It may be a bit approximate, but still it will be fairly accurate.

Mr. CHOWN: I was interested in seeing how much money is spent in buying programs as opposed to how much is spent in producing them as original programs of the C.B.C.

Mr. HORNER (*Acadia*): The last question had to do with one asked at the end of the last meeting. I wanted a breakdown of the commercial revenue, possibly in three categories—that arrived at from local programs, that arrived at from purely Canadian network programs, and that arrived at from the import of American network programs such as the Ed Sullivan show or the Perry Como show. I wonder if we might have a breakdown of those.

Mr. OUIMET: Was this asked previously?

Mr. HORNER (*Acadia*): I asked it at the last meeting. I do not know whether or not it got on the record.

Mr. OUIMET: I was going to repeat your question in order to be sure that I understand it, but if it is on the record I will not have to repeat it. We will produce the information.

Mr. HORNER (*Acadia*): I have another question in line with the questioning of this morning in respect of the loss of revenue. Could we have a breakdown of the rates and how they vary province by province or city by city?

Mr. OUIMET: Yes. We can give you a copy of our rate cards.

Mr. HORNER (*Acadia*): I know of several instances where a program has had a sponsor and because of the type of program the sponsor has said he would not continue the sponsorship of that program for a particular period at least, and the C.B.C. said "all right; you go ahead and withdraw your sponsorship; we will go ahead with the program anyway". Is this the proper way to capture and hold on to business, particularly in view of a second network starting up?

Mr. OUIMET: It is not a particularly good way to hold on to a sponsor, although we try to do these things as nicely as possible. I think it is the only way we have of carrying out our main objectives. Very often a sponsor may have some objection to a program which has any element of controversy in it. We are not, as a public institution, taking a position that we should eliminate such programs, because I think these subjects are proper subjects so long as they are of interest to a significant proportion of our population.

This is the danger I was speaking of. In our programming we must never get into the position the United States networks got into with the result that you all know about, where the networks had pretty well handed over to the sponsors the responsibility for the programming on their networks. Of course, in the last two years they have been making efforts to get that control back. We have not lost ours, and I think it is very important we do not in the future; otherwise this will no longer be a public service institution—it will be a straight commercial advertising institution, which is something entirely different. We had only two such programs, by the way.



Mr. HORNER (*Acadia*): I do not know how many there were, but I read that there were some.

Mr. OUIMET: Two.

Mr. HORNER (*Acadia*): In one the sponsor withdrew his support of a particular program because it included a hanging scene. Apparently he did not want to support the program. The C.B.C. said "very well, we will go ahead with it anyway".

Mr. PRATT: We will go ahead and hang the guy.

Mr. HORNER (*Acadia*): Hanging does not bother me a bit; I can take it or leave it. The point is that at that time I would have thought the C.B.C. would have been wise to say "fine; we will not do the scene on hanging; we will drop it and accept the commercial revenue".

Mr. OUIMET: On the contrary I think you are touching there one of the most important differences in the principle of broadcasting in Canada; that is its independence from sponsor control as well as any other control. In this particular case this program, once shown I think, received generally good acceptance from the public. I think that if we had not shown it, not only would we have violated one of the fundamental principles of freedom of broadcasting in Canada but also we would have deprived a great number of people from seeing something that was of interest to them. Parliament gave the C.B.C. the responsibility, not the sponsor. At times it would be much easier for me if I could get the sponsor to appear and explain some of the things; but it is the C.B.C. which has the responsibility.

Mr. HORNER (*Acadia*): I do not argue that point with you at all. I realize that perhaps you are right in that you must maintain what goes out over your network. The point that I am wondering about arises out of the statement you made that you are not a truly commercial network. Do you think there is room in Canada for a truly commercial network, because you are not one and do not intend to become one?

Mr. OUIMET: I have said that we are not primarily a commercial network; but when you have a gross revenue in the order of \$38 million I must say that we are definitely in a commercial operation.

In respect of the second part of your question, I would say that time will show whether or not there is room for a second network. I urge the committee, and parliament, to make sure that the development of this second commercial network is considered as a complement to what we already have and is not in any way allowed to decrease the effectiveness of what has been built up over the last twenty-five years.

Mr. HORNER (*Acadia*): I have one further question. The question of the Big Four football has been raised here today.

Mr. FISHER: It was the hockey question I raised.

Mr. HORNER (*Acadia*): You also mentioned the football question. Following upon what you said about a complement, is it not a fact that they offered to the C.B.C. to take the program into the other affiliate stations, if they wanted to do so? Would this not be complementing one another rather than being a friction? Why did not the C.B.C. accept this at a cost, or revenue, whichever it was?

Mr. OUIMET: Because it was an unacceptable proposition in many ways, which I will be glad to explain to you at great length. I cannot do justice to it at the moment unless this meeting is prolonged.

Mr. HORNER (*Acadia*): I think this should be done some time, because the public is quite alarmed and feels that the C.B.C. should have put it on some of the stations. Because they were not given all of it, the public feels that perhaps the C.B.C. was acting like a spoiled child and saying because they could not have all of it they would not take any.

Mr. OUMET: We are very anxious to explain our position to you.

The CHAIRMAN: Would it be possible for the corporation to make a statement and distribute it. That might shorten the time of the hearing.

Mr. OUMET: It is possible; but we still would like to explain it to you, apart from the statement.

Mr. FISHER: Provided it explains the N.H.L. hockey situation.

Mr. CHOWN: I have a question in respect of a production which I can put on the record before the meeting breaks up. Last year you spent \$40,000 on legal fees. Now legal firms are not stars, so perhaps you could let us have the names of the legal firms involved and the amounts each received?

Mr. OUMET: I do not believe they are stars, but I think in the past the same approach and principles have guided us in this respect. We could give you the number of firms and all that, but again I think we are getting into details of personal business. On the other hand, I am entirely in the hands of the committee.

Mr. HORNER (*Acadia*): I have one question I should like to put on the same line.

The CHAIRMAN: We have no quorum right now.

Mr. HORNER (*Acadia*): I should like to know the persons who tendered on the building in Edmonton, and if the tender you accepted was the lowest.

Mr. OUMET: I can answer immediately. The lowest tender was accepted.

Mr. HORNER (*Acadia*): I should like to have the names of the other people.

Mr. BALDWIN: May I suggest that the statement on football be made on No. 9—commercial operations? If we continue to go into it here we shall never get out of financial operations.

Mr. PRATT: When is our next meeting?

The CHAIRMAN: Our next meeting is on Tuesday.

Mr. CHOWN: The fees paid to law firms have been published previously. I have read them in the local newspapers, that is to say in regard to other departments of government.

Mr. SIMPSON: There is one question I should like to put on the record. Could I get a breakdown on transmission charges, province by province? What I mean is the money paid for the microwave system, province by province.

Mr. OUMET: We do not pay the company on that basis, but I think we can supply rates for the mileage that we use. In that way I think we can give you the approximate cost.

## APPENDIX "A"

## CANADIAN BROADCASTING CORPORATION

Number of persons paid for radio and television programs as interviewers, musicians, actors, animators, commentators, writers, masters of ceremonies, etc., by scale of earnings for the calendar year 1959.

Earning Range	No. of Persons Paid	% of Total Persons Paid
up to \$ 2,000 .....	15,912	91.4
2,000 to 4,000 .....	691	4.0
4,000 to 6,000 .....	325	1.9
6,000 to 8,000 .....	186	1.1
8,000 to 10,000 .....	97	1.6
10,000 to 12,000 .....	59	
12,000 to 14,000 .....	50	
14,000 to 16,000 .....	22	
16,000 to 18,000 .....	13	
18,000 to 20,000 .....	13	
20,000 to 22,000 .....	17	
22,000 to 28,000 .....	20	
28,000 to 34,000 .....	7	
	<hr/> 17,412	<hr/> 100.0

NOTE: The above total does not include fees paid in respect of work performed by more than one person, e.g., payments to symphony societies and to orchestra leaders, who customarily engage assistance for arranging, copying and scoring music.



## APPENDIX "B"

## CBC LOCATIONS—DESCRIPTIONS OF MAIN OPERATING UNITS

*Location*

<b>Ottawa</b>	<b>Head Office</b>
<b>Montreal</b>	<b>National Engineering Headquarters</b>

## NEWFOUNDLAND

<b>St. John's</b>	Regional headquarters Radio Station CBN Short wave radio station CBNX
<b>Corner Brook</b>	Radio station CBY TV station CBYT
<b>Gander</b>	Radio station CBG
<b>Grand Falls</b>	Radio station CBT

## MARITIME PROVINCES

<b>Halifax</b>	Regional headquarters Radio station CBH TV station CBHT
<b>Sackville</b>	Radio station CBA International Service transmitters
<b>Sydney</b>	Radio station CBT
<b>Moncton</b>	Radio station CBAF TV station CBAFT

## QUEBEC

<b>Montreal</b>	French networks divisional headquarters Main network radio production centre Main network TV production centre Radio station CBF (French) Radio station CBM (English) TV station CBFT (French) TV station CBMT (English) International Service headquarters and production centre
<b>Quebec City</b>	Radio station CBV
<b>Chicoutimi</b>	Radio station CBJ

## ONTARIO

<b>Toronto</b>	English networks divisional headquarters Main network radio production centre Main network TV production centre Radio station CBL (Trans-Canada network) Radio station CJBC (Dominion network) TV station CBLT
<b>Ottawa</b>	Area headquarters Radio station CBO TV station CBOT (English) TV station CBOFT (French) Short wave receiving station
<b>Windsor</b>	Radio station CBE

## SPECIAL COMMITTEE

## PRAIRIE PROVINCES

Winnipeg	Regional headquarters Radio station CBW TV station CBWT (English) TV station CBWFT (French)
Regina	Radio station CBK
Edmonton	Radio station CBX Short wave radio station CBXA
Calgary	TV relay centre

## BRITISH COLUMBIA

Vancouver	Regional headquarters Radio station CBU Short wave radio station CBUX TV station CBUT
Prince Rupert	Radio station CFPR

## NORTHERN SERVICE

Goose Bay, Labrador	Radio station CFGB
Frobisher Bay, NWT	" " CFFB
Fort Churchill, Man.	" " CHFC
Yellowknife, NWT	" " CFYK
Hay River, NWT	" " CFHR
Fort Smith, NWT	" " CBXH
Inuvik, NWT	" " CHAK
Dawson, Y.T.	" " CFYT
Whitehorse, Y.T.	" " CFWH

## FOREIGN OFFICES

London  
Paris  
United Nations  
(New York)

NOTE: In addition, the Corporation operates at various locations across Canada 74 low power relay transmitters (radio) and 7 rebroadcasting stations (television). All of these operate automatically and are unattended.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament  
1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 23

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TUESDAY, MAY 23, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Mr. E. S. Hallman, Vice-President, Programming.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier R gnier

and Messrs.

Aitwen, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselmann, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chass ,  
*Clerk of the Committee.*

## CORRECTION

PAGE 586—Third question by Mr. McGrath down the page, end of question should read,  
have you had to reappraise your rates? Have you cut your rates?

## MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

TUESDAY, May 23, 1961.

(26)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Baldwin, Chown, Creaghan, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, Pickersgill, Pratt, Régnier, Smith (*Calgary South*), Tremblay, Webb—(17).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. V. F. Davies, Comptroller; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. E. S. Hallman, Vice-President, Programming; Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. A. H. M. Laidlaw, General Counsel; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

As the proceedings opened the Chairman announced that the Auditor General could not appear before the Committee to-day, as planned, because he was presently in attendance before another Committee of the House and would again be before that Committee on Tuesday next. Because the president of CBC would be out of town on Thursday next, May 25, to fill a prior engagement, it was agreed that the Committee hear Mr. A. M. Henderson on the following Thursday, June 1st.

The Committee discussed proceedings for the next following meeting and it was agreed that at the morning sitting Mr. Alphonse Ouimet again be on the stand, with Mr. Marcel Carter, and in the afternoon, in the absence of Mr. Ouimet, Captain Briggs be the main witness for the Canadian Broadcasting Corporation, with Mr. Charles Delafield, Director, International Service.

The Committee then resumed from Thursday, May 18, its adjourned inquiry into the affairs of the Canadian Broadcasting Corporation, with Mr. Alphonse Ouimet, President, still under questioning, and Captain W. E. S. Briggs, Mr. E. S. Hallman and Mr. Victor Davies, by agreement, contributing in the answers to questions on specific points.

Honourable Mr. Pickersgill, after objecting to the line of questioning, moved, seconded by Mr. Fisher:

That, if information of the kind sought by Mr. Chown in his questioning (namely, the amount of expenses for entertainment) is required from the Canadian Broadcasting Corporation, all those applicants for second stations, television stations be required to provide precisely similar information to the Committee.

And the question having been put on the proposed motion of Mr. Pickersgill it was, on a show of hands, resolved in the negative on the following division: Yeas, 3; Nays, 9.

And the examination of Mr. Alphonse Ouimet still continuing, it was adjourned to the next meeting.

Before the conclusion of the proceedings the Chairman informed the Committee that the following returns were being tabled by the Canadian Broadcasting Corporation and would be distributed, through the House of Commons post-office, to all members of the committee.

1. Statement by J. A. Ouimet, President, Canadian Broadcasting Corporation regarding 1961 Football Telecasts. (*See Appendix "A" hereto*).
2. Return showing the names of firms which submitted tenders for construction of the Edmonton TV station, as requested by Mr. Horner (*Acadia*), on May 18th. (*See Appendix "B" hereto*).
3. Return showing the cost of overtime in relation to salaries at various locations, as requested by Mr. Chown on May 4th. (*See Appendix "C" hereto*).

However, at the suggestion of Mr. Chown, it was agreed that the said returns be appended to the printed report of today's Minutes of Proceedings and Evidence as indicated above.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m., Thursday, May 25.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

TUESDAY, May 23, 1961

9:30 a.m.

The CHAIRMAN: Gentlemen, we now have a quorum.

As you will remember, on Thursday of last week we had a motion by Mr. Chown to the effect that we call the Auditor General, Mr. A. M. Henderson, on Tuesday and Thursday of this week. Obviously, it is impossible for him to be here on Tuesday because on that day he appears before the public accounts committee. The president of the corporation has advised me that on Thursday he has to be in Toronto to attend a meeting in respect of national education week. I think this is rather important. He has expressed a desire to be at our committee hearings when the Auditor General is questioned, so in all fairness to him I thought arrangements should be made with the Auditor General to appear on the following Thursday. Is it agreeable that we postpone calling him until a week from Thursday?

Mr. CHOWN: We hardly have any alternative. Both the witnesses are otherwise engaged on the days I suggested. Therefore, in all fairness we should push it ahead.

Mr. HORNER (*Acadia*): Who are we having this coming Thursday?

The CHAIRMAN: I thought it would be wise to have Mr. Carter back in respect of talent unions. There will also be questions on personnel. After this is completed, on Thursday afternoon Mr. Delafield of the international service will be questioned. Is that agreed?

Agreed.

The CHAIRMAN: Captain Briggs, the vice-president of the corporation will represent the corporation on Thursday afternoon. Mr. Ouimet will be here on Thursday morning.

We were on finances and a statement had been read.

Mr. McGRATH: Mr. Chairman, I would like to ask to have a correction made in the record. At page 586 I am reported to have said:

In the case of Halifax, Toronto, Vancouver and wherever the second stations are, have you got to reappraise your rates ?

What I in fact said was:

In the case of Halifax, Toronto, Vancouver and wherever the second stations are, have you had to reappraise your rates—have you had to cut your rates?

That last part had been omitted.

Mr. CHOWN: Does that change the answer in any way?

Mr. Alphonse OUMET (*President, Canadian Broadcasting Corporation*): The answer remains the same.

Mr. HORNER (*Acadia*): Were you referring to network rates or local rates?

Mr. McGRATH: Local rates.

Mr. PRATT: I take it the answer is still no?

Mr. OUMET: Yes.

The CHAIRMAN: Are there any further questions on finances—operating revenues and expenses?

Mr. LAMBERT: This is rather a narrow field, but I would like to know what is the corporation's approach to the payment of taxes or grants in lieu of taxes? Does it follow the principles used under the Municipal Grants Act?

Mr. OUMET: We pay grants in lieu of taxes on property assessment only. We do not pay anything in lieu of business tax or in lieu of tax on equipment or towers.

Mr. LAMBERT: In arriving at the value on which you base your grant, do you come to some agreement with the municipal authority in respect of the assessment of your real property?

Mr. OUMET: Yes. First of all we are advised of the regular assessment of the city concerned. Then our people make sure that this assessment is fair and proper. Generally speaking I would say that we have found the assessments to be fair and proper.

Mr. LAMBERT: In determining your grant, do you have reference to the formula used under the Municipal Grants Act which, of course, is the basis for the government paying grants in lieu of taxes on its real property holdings in the municipalities?

Mr. OUMET: Frankly, I am not sure I remember the formula well enough to answer your question categorically. We pay a grant which is 100 per cent of the tax assessment. In the particular formula you mentioned I think there is a scale of payments. In our case we pay the equivalent of the full tax in the form of a grant.

Mr. LAMBERT: In recent years have you had any difficulty or dispute with municipalities with regard to the level of these grants? Have there been representations that you should pay higher than the federal government is paying on its real property holdings?

Mr. OUMET: No, but there have been constant efforts on the part of some municipalities to get us to pay grants in lieu of business taxes, particularly in the city of Ottawa. Generally speaking, however, our payments are at least as favourable as what the government would be paying. I do not think there was any point of comparison which was unfavourable to us in this respect.

Mr. LAMBERT: I have one final question. In determining the level of your grants do you ever refer to any of the other crown corporations, so that there may be some form of uniformity among the crown corporations in the payment of grants.

Mr. OUMET: Actually these consultations are not with the other crown corporations, but we have consulted the treasury board officials in this respect.

Mr. CHOWN: Mr. Chairman, following up my questioning of last week when I asked for a breakdown of the legal expenses shown as \$36,961, in the footnote on what would be numbered page 24 of the C.B.C.'s annual report, I would also like to obtain a breakdown of the other figures shown in that footnote, namely, the \$50,375 paid for executive officers remuneration and the \$34,900 paid as honoraria to directors. That information can be tabled at a later meeting, but I should like to know now whether any member of the board of directors or any members of the executive receives, over and above the stipulated and regular salaries or honoraria, any additional grants for other expenses such as entertainment, travel or whatever it may be.

Mr. OUMET: I can answer that question now. None of the directors or the executives receive allowances or fixed grants for expenses. We have to submit our accounts to board meetings.

Mr. CHOWN: What form of account is submitted? Is this in the usual form of a voucher?

Mr. OUMET: Yes. In each case it is the amount which was spent in the interval between board meetings for such expenses, and it must be signed.

Mr. CHOWN: What do you mean by the words "such expenses"?

Mr. OUIMET: You were referring to entertainment expenses. In the case of directors, if they have special travelling expenses they have to submit their accounts.

Mr. CHOWN: Are these expenses included in the figures shown in that footnote?

Mr. OUIMET: I do not believe so, because this is honoraria and has nothing to do with travelling expenses.

Mr. CHOWN: In the other words, the figures shown here merely stipulate the salaries received by your top executive and by the board of directors?

Mr. OUIMET: That is correct.

Mr. CHOWN: Where would the expenses for entertainment be shown, and what do they amount to?

Mr. OUIMET: The expenses for entertainment for the corporation generally would be distributed among the various items, depending on whether they were expenses of the executive or expenses of the production staff. If you are talking about expenses of the executive they would appear in the general administration group, which is the fourth main heading in the statement.

Mr. CHOWN: Could your comptroller, for example, give us the amount of expenses for entertainment which were paid to you during the time of your stewardship?

Mr. OUIMET: Certainly, if the committee would like to have that information.

Mr. CHOWN: Is that available now?

Mr. Victor DAVIES (*Comptroller, Canadian Broadcasting Corporation*): That would be available. We have a set-up the same as any normal corporation where this comes under employees accounts receivable and every charge that is expended is recorded against an individual account. The vouchers for these are all detailed in respect of the actual amounts expended. In addition there is certification on these forms wherein the employee certifies that the amounts have been expended on behalf of the corporation.

Mr. PICKERSGILL: I should like to raise a point of order about this particular matter. It seems to me that if we are going to maintain any sort of impartiality as between the C.B.C. and private companies, who are also operating with channels provided out of the public domain, following upon the line of questioning Mr. Chown is now pursuing in respect to the C.B.C., then when we have, say, the representatives of the television stations in Toronto before us we should expect them to produce exactly similar and precisely the same information. These people are both operating in the same field. They are both operating in channels provided out of the public domain and it seems to me there is a point of principle involved.

Personally I cannot see what good it is going to do anyone to know how much Mr. Ouimet spent on hospitality during the year; but, if it is, I think it would also be equally interesting to know how much these private people spent. If they were really private companies, really private enterprises, that would be different, but they are operating in channels provided out of the public domain, and it seems to me there should be equality of treatment.

Mr. McGRATH: There is one difference. They are not operating with public funds.

Mr. FISHER: On a point of order, Mr. Chairman, I tend to agree with Mr. Pickersgill's line of argument. I should like to put forward as an example the Canadian Marconi Company which runs the television station in Montreal,



and which has very large government contracts in a completely different field,—but it is the same organization which controls them. In essence we could start searching for tit-for-tat in relation to all this.

I make the point of order because I am wondering if we could not have some agreement among members of the committee—and I do not care if we have to clear out all the witnesses and the Press to secure some agreement—as to why we are looking for these things. It seems to me that every day we come here there are new demands and new requests being put to the C.B.C. As I understand this, the C.B.C. is ready to give us a tremendous amount of information if we ask the questions but I am wondering if these kinds of questions are not just taking up our time, and we are not getting to the requests, the proper requests, as to what the C.B.C. may be able to offer and what we really want.

THE CHAIRMAN: I think the salaries of the executive officers is a matter that has been ruled out of order before. So far as honoraria to the directors are concerned, that should not have to be explained. The act states what they get for appearing at directors' meetings and at committee meetings of the board of directors. In so far as the expenses are concerned, would it be satisfactory to you, Mr. Chown, if they were given in one lump sum for one year and divided into those expenses paid to directors for their travelling fees, and so on& It is not only entertainment which is involved.

MR. CHOWN: I cannot see the point of order raised by Mr. Pickersgill at all, because I think it is in the public interest to obtain this sort of information. I would want to know if there is a fixed amount provided in the budget every year for any officer of the corporation for this type of thing. What I am simply getting at is that if there was, then on that basis it could be a supplementary grant to extend the salary of a particular official to something more reasonably equivalent to what his counterpart is receiving in private industry. According to the evidence we have heard from the witnesses, at the higher executive level their salaries are 45 per cent less than the equivalent in private industry, and they are 25 per cent less at the middle executive level.

MR. OUMET: Mr. Chown, I can answer that immediately. No executive of the corporation and no official of the corporation receives a fixed amount.

MR. CHOWN: Except his salary?

MR. OUMET: Except his salary.

MR. CHOWN: Then I would like the other information.

MR. OUMET: In what way?

MR. PICKERSGILL: I think we should have a decision on the point of order. I raised the point of order very seriously and very sincerely.

MR. TREMBLAY: It was not a point of order; it was a statement.

MR. PICKERSGILL: The chairman will rule on whether it was a point of order or a statement.

MR. TREMBLAY: I hope.

MR. PICKERSGILL: I do not think his position should be usurped by any member of the committee.

MR. McCLEAVE: May I suggest that this is a matter which should not be put to a vote. I do not think it is a point of order at all. In fact, I think it is a very bogus one.

MR. PICKERSGILL: Before the matter is put to a vote, Mr. Chairman, I should like to make a definite motion that, if information of this kind is required from the C.B.C., we require all those applicants for second stations, television stations, to provide similar information, precisely similar information, to the committee. I so move.

Mr. FISHER: I second that.

Mr. SMITH (*Calgary South*): Mr. Chairman, could we not reach some agreement which would be satisfactory to Mr. Chown, Mr. Pickersgill and yourself? Otherwise you will have difficulty in providing information without mentioning each of the directors.

Mr. MACDONNELL: I would hope that before we have to vote on this it could be explained a little further. I cannot believe there is a basic difference on this. In fact I regret having to vote on it.

The CHAIRMAN: I am putting the motion.

Mr. PICKERSGILL: I only made my motion because there was objection taken to the point of order I raised, which I thought would have solved the matter in a much more amicable fashion. If certain members of the committee want to make an issue of it, all I will say is that I never backed away from an issue that I can recall.

The CHAIRMAN: Would it be satisfactory to Mr. Chown and Mr. Pickersgill if we had a breakdown of the expenses, broken down into expenses of officers of the corporation, corporation expenses, and expenses of the directors, in one lump sum?

Mr. CHOWN: Mr. Ouimet said he had that information and was prepared to produce it.

The CHAIRMAN: Do you want anything further?

Mr. CHOWN: How do we pass judgment on whether these expenses are excessive or not?

Mr. FISHER: By comparing them with the private companies.

Mr. PICKERSGILL: I would be much more interested in the expenses of some of these private companies on entertainment for the board of the B.B.G.

Mr. SMITH (*Calgary South*): Mr. Pickersgill, of course, has the right to put this to the B.B.G. when they come before the committee.

Mr. McCLEAVE: They may have the right to tell us to go to hell.

Mr. PICKERSGILL: Mr. Chown says this would be in the public interest, but I cannot see how it would serve the public interest at all.

Mr. SMITH (*Calgary South*): I suggest you put the question.

The CHAIRMAN: Will you read the motion again, Mr. Pickersgill?

Mr. PICKERSGILL: I would prefer to have it read by the shorthand reporter.

The CHAIRMAN: Then I shall ask the reporter to read it.

*Whereupon the reporter read back, as requested.*

Mr. REGNIER: I would say, Mr. Chairman, that motion is rather nebulous. I do not know what Mr. Pickersgill means.

Mr. HORNER (*Acadia*): I agree with Mr. Regnier.

The CHAIRMAN: The motion has been read. All those in favour of the motion please put up their hands.

Mr. LAMBERT: I might say I think it is invidious to single out the television stations. There is another very important field of broadcasting in this country, and that is radio broadcasting.

Mr. PICKERSGILL: If Mr. Lambert would like to move an amendment, I would be agreeable. However, I am satisfied with the motion.

The CHAIRMAN: All in favour raise their hands.

Motion negatived: yeas, 3; nays, 9.

The CHAIRMAN: The motion is negatived. Mr. Chown, would you be satisfied with it as a lump sum?

Mr. CHOWN: I would be perfectly satisfied. I am not trying to embarrass anyone with the question. If the expenses could be divided as between the executives, the board of directors and the rest of the corporation that would be perfectly satisfactory.

The CHAIRMAN: For a period of what—a year?

Mr. CHOWN: The past fiscal year.

The CHAIRMAN: Are you through, Mr. Chown?

Mr. CHOWN: I just want to ask one other question which the comptroller can probably answer. The format of your financial statement, as between 1959 and 1960—the current one—has been fairly substantially changed in terms of the itemized information it gives. Is there any reason or explanation for that change?

Mr. OUIMET: Yes, there is definitely, and Mr. Davies can elaborate on that.

Mr. DAVIES: If I understand the question, it has to do with the difference between the statement of operation in the annual report for 1960 and that shown in the annual report for 1959, or thereabouts. In 1958 we made a change in our accounting system and on that basis we showed the statement for the first year, which was the year 1958-59, on the new basis. In preparing the annual report statement of operations for 1959 we had only one year's experience with these figures on the new basis and, therefore we did not give or were not able to give comparative figures to the same extent. In 1960, when we came to make up our statement of operations, we had two years experience and therefore on this basis we were able to show it in its present form.

Mr. CHOWN: The only comment I was going to make is that it is a considerable improvement from one year to another.

Mr. SMITH (*Calgary South*): I wonder if I may ask Mr. Ouimet if he can provide first a projection of operating costs and capital expenditures. Mr. Ouimet, I believe you are required to do this on a four or five year basis.

Mr. OUIMET: Actually the act provides for submitting five-year forecasts.

Mr. SMITH (*Calgary South*): I see.

Mr. OUIMET: But that was done once only. It was for the period of five years and it is not renewed every year. Also at the same time we had to submit an estimate or five-year capital forecast on the operations for the same period.

Mr. SMITH (*Calgary South*): This then, is not extended for instance in the fourth year for an additional year. You do, in effect, as I understand it, keep yourselves five years ahead in a projection of this nature?

Mr. OUIMET: The act does not require that we submit this information—

Mr. SMITH (*Calgary South*): I realize that.

Mr. OUIMET: —to counsel. However, we do keep our forecasts up-to-date ourselves.

Mr. SMITH (*Calgary South*): Really what I am interested in, and I am sure you have gathered this, is to obtain your estimate of these projects to show where you are going in so far as total costs are concerned. It just occurred to me it would be very helpful to the committee if we could get some guide as to what extent you plan for capital costs development and operating costs development for the future of the corporation.

Mr. OUIMET: I think we can provide you with this information. In fact I think we should.

Mr. SMITH (*Calgary South*): Thank you, Mr. Ouimet.



Mr. REGNIER: Mr. Fisher asked a couple of questions in connection with the French networks and I should like to ask what are the operative expenses of the French networks as compared with the income of the networks?

Mr. OUIMET: Are you speaking of French networks generally, or of the television French network?

Mr. REGNIER: The television French network merely.

Mr. OUIMET: Yes, we can provide you with that information.

Mr. REGNIER: You have stated that 94 per cent of Canadian audiences are covered by the television networks. What is your coverage of French Canada by the French networks?

Mr. OUIMET: Roughly the same.

The CHAIRMAN: Are you through, Mr. Regnier?

Mr. REGNIER: Yes.

Mr. SMITH (*Calgary South*): The difficulty you have in the corporation in assessing your future capital costs must give you some guide as to the direction in which you are going, and must also give you some cause for reflection over certain stations that you constructed in the past, and certain pieces of equipment. If I am out of order in dealing purely with stations you will, of course, tell me, but I should like to cite as an example the construction, I believe in 1947, of the facilities at Lacombe.

I believe the corporation was under some criticism at that time because it was felt that not only was the location at Lacombe inadequate to deal with the area, but also the costs of broadcasting there were somewhat high. This was raised in a previous parliamentary committee and you were criticized at that time because the construction was done during the winter months. Then you found it was necessary to add two booster stations in two essential cities which were not being properly served, and I am happy to say you are now going to add further additional facilities to do what you, in the first years, were advised to do in order to encompass the entire area. If I am wrong in this, please correct me; but I am wondering how an error of this nature could occur, how an error in planning could occur, because quite obviously ill advised costs were undertaken and mistakes were made. Now, we realize that mistakes can be made, but could you not have been right the first time?

Mr. OUIMET: I do not think so, and let me explain why. In the early days of the C.B.C. our policy was to cover the country by means of large high-power 50 kilowatt transmitters located not in the cities but in the best possible locations to give maximum coverage to whole areas. This is why we established the Saskatchewan transmitter right at Watrous. In a similar way we tried to cover Edmonton, Calgary and the whole of Alberta by locating half way between the two cities. It was the same thing in the case of the other high power transmitters of the corporation, for example in the maritimes. In those days this sort of regional coverage was adequate and gave a proper signal which could be received with the type of receivers available at that time.

So at that time it was a proper decision. Events which took place following that, however, have made the situation difficult for us, because receivers were made in the following years which did not have the sensitivity and selectivity that the old receivers had. The table models became very popular, and because of that people generally could not receive distant stations as well as they could beforehand. Furthermore, the private stations, which until that time had been limited to a power of one or five kilowatts, were granted higher power, with the result that cities like Edmonton, Calgary, Regina, Saskatoon, and all the cities of Canada were given a much better signal than before by the private stations, which meant a further tendency to buy cheaper receivers. Therefore after a few years we found ourselves located at the wrong place

because of these two developments. That is what we are endeavouring to correct now by having a station in Edmonton and a station in Calgary. In the case of the Alberta coverage, we had an additional problem of a change in ground conductivity after we made the tests. This added to the difficulty I have already mentioned.

Therefore, I would not say it was a bad decision at the time we made it. I think we were trying to do with one what we now find it will take two stations to do. Certainly, however, events as they have developed since that time have shown that two stations are necessary.

Mr. SMITH (*Calgary South*): Mr. Ouimet, that is a very interesting answer, and I can appreciate the desire to center your transmitter in a central area. I think the initial cost was about \$144,000 for the brick and mortar; this did not include engineering. This goes back to 1947, and it is only one example. I am suggesting this is one rather typical example. We find this does not produce the signal. I think you indicated this is the situation so far as the principal cities and urban areas are concerned. The city of Calgary could not hear the signal. You put in two additional boosters at both these stations and they still are not satisfactory.

Mr. OUIMET: There was only one at Edmonton.

Mr. SMITH (*Calgary South*): It still is not satisfactory, and now you are replacing pretty well the whole thing. The total cost of this whole operation would be an interesting cost in relation to what might have been done in the first instance.

Mr. OUIMET: This is hypothetical. In the first place, I have already said that the decision was a proper one in the light of the circumstances at that time. The circumstances have changed. Of course, you have the advantage of hindsight.

Mr. SMITH (*Calgary South*): I appreciate that.

Mr. OUIMET: At that time I was chief engineer, and I can tell you our foresight was as good as could be found at that time. Now, if I were in the same position you are—

Mr. SMITH (*Calgary South*): You would have done it differently?

Mr. OUIMET: —I probably could have developed the whole thing in a different way. However, you forget another thing. We had fifteen years of service out of the station. You are speaking about cost; we have already had fifteen years service out of the station, so do not write it off as a total expense to be replaced by something else.

Mr. SMITH (*Calgary South*): I am not writing it off at all. I maintain it has not provided the service it was intended to provide. You have answered my question. You have said it would have been done differently had you had the opportunity you have now.

Mr. OUIMET: I am not through.

Mr. SMITH (*Calgary South*): Go ahead.

Mr. OUIMET: In the first place, we had affiliates in Edmonton and in Calgary.

Mr. SMITH (*Calgary South*): That is correct.

Mr. OUIMET: They were carrying our programs in these two cities and giving other programs to these cities.

Mr. SMITH (*Calgary South*): Not the same programs?

Mr. OUIMET: I am glad you recognize that we do at times have difficulty in getting our affiliates to carry a sufficient number of national service programs.

Mr. SMITH (*Calgary South*): I appreciate all of your difficulties.



Mr. OUIMET: We have good service to all the regional population of Alberta.

Mr. SMITH (*Calgary South*): You have answered my question. Thank you, Mr. Ouimet.

Mr. PICKERSGILL: I would like to ask about another situation in Alberta. I wonder if Mr. Ouimet could bring us up to date on the development of the Edmonton television station? Perhaps, to indicate the direction of my own thoughts, Mr. Ouimet will recall that the Minister of National Revenue told us in the house that one of the principal reasons for the C.B.C. going ahead with the Edmonton station was that it was expected it would produce a net revenue for the C.B.C. instead of a net cost. I realize it is too soon to reach any conclusions about that. What I would be particularly interested in knowing, however, is whether the capital cost of the Edmonton station is as much as was forecast and whether it is still the view of the C.B.C. that it will be a revenue producer, as Mr. Nowlan a year ago forecast that it would be.

Mr. OUIMET: So far as the estimated costs of construction of the project are concerned, they are within the estimates as originally budgeted. So far as Edmonton being a revenue producing station is concerned, I do not know exactly what Mr. Nowlan said. I do remember what we said, and that is that it would pay its way. I do not think we have ever said—and I would be surprised if the minister actually said it—that it would bring in hundreds of thousands into the coffers of the corporation.

Mr. MACDONNELL: In effect the same thing was suggested; that is that it would pay its way.

Mr. PICKERSGILL: I think he suggested there would be some net gain; but I do not want to repeat it from hearsay. I will look the matter up and give Mr. Ouimet the page reference in Hansard, if some of his officials do not have it already.

Mr. HORNER (*Acadia*): Mr. Ouimet, in answer to a question of mine, I think you said you now expect the operating cost of the Edmonton station will be about \$1 million.

Mr. OUIMET: I was speaking from memory, but I believe that is right.

Mr. HORNER (*Acadia*): How do you tie that in with what Mr. Pickersgill just said, that it will pay its way.

Mr. OUIMET: We expect a revenue of \$1 million.

Mr. PICKERSGILL: You do not expect to make anything on your capital?

Mr. OUIMET: Well, we are getting into a question of the accuracy of these estimates. The amortization of the capital is not a very large charge over fifteen years. I am not sure we will be able to pay for this amortization out of revenue within, say, the next three years; but I believe we should be able to do it soon after—certainly not for the first year.

Mr. MACDONNELL: You mentioned a figure of \$1 million as your expected revenue. Was that the figure in your mind a year ago when Mr. Nowlan was speaking?

Mr. OUIMET: Yes.

Mr. MACDONNELL: And that figure is unchanged?

Mr. OUIMET: It is unchanged.

Mr. HORNER (*Acadia*): Arising out of that, I have already asked for a breakdown of the commercial revenue, and I wonder if we could have a breakdown of the revenue that the corporation takes in from the various production centers such as Vancouver, Winnipeg, Toronto, Montreal, so that we could perhaps get clear in our own minds whether or not you will make a revenue of \$1 million out of Edmonton.



Mr. OUMET: We could give you that.

Mr. HORNER (*Acadia*): In one of the charts which you have produced you show programing costs of 58.2 per cent. Could this be broken down in some way to show the origination of programs, Canadian program sales, what it costs to secure programs from other networks perhaps, and thirdly the collection of news and items relating to current events.

Mr. OUMET: Mr. Horner, I believe we are preparing an answer in this regard and are breaking down this figure of 58.2 per cent. This was asked for sometime ago.

Mr. HORNER (*Acadia*): Is this being done somewhat along the lines I have suggested now?

Mr. OUMET: I believe so. In the case of television the cost of producing programs is an important factor only in the case of Canadian programs. We make money every time we take a United States program. So, I can answer that point immediately. All the United States programs generally are sponsored and we are paid for carrying them. So actually the cost of programing in the C.B.C. is mainly—practically totally—the cost of producing Canadian programs. It would not be costly in Canada to have a television service which is made up mainly of United States programs. The high cost is the production of the Canadian programs themselves.

You asked something about news, I believe.

Mr. HORNER (*Acadia*): News programs and programs concerning current events which, to some extent, would be classified as news. I wonder what percentage of that 58 per cent is for something along that line?

Mr. OUMET: Could we provide you with an initial breakdown of this 58.2 per cent, and then if there is something further you need you could ask for it.

Mr. HORNER (*Acadia*): I have one further question under financing. On page 444 you answered a question of mine with regard to rates, whether or not the rates were standard across Canada or whether they varied from one center to another. You said that they vary considerably from one center to another, because the rates are based upon the audience that can be delivered. In other words you have not changed your rates, but perhaps the audience to which you are delivering has been reduced a little because of the other stations. Is that what we are to gather here in respect of rate adjustments.

Mr. OUMET: Generally speaking the statement I made applies either to the period before the second stations or the period after the second stations. The whole rate structure for commercial programs in North America is based on the potential audience of any given station. In practice, if your audience is decreased, then of course you may not be able to maintain your rates at the level you had before the decrease, but this has not been the case so far as the corporation is concerned. We have made no change in our rates as a result of the advent of second stations.

Mr. McCLEAVE: May I follow up with a situation with which I am somewhat familiar, having had my ear knocked off by Mr. Findlay MacDonald of station CJCH-TV, Halifax. I understand the rate on local advertising, as opposed to the national rate, was cut sixty per cent or forty per cent, I am not sure which, when the second station began to telecast.

Mr. OUMET: Actually we did not cut our rate, but we had established in Vancouver some years ago a local rate as distinct from the national rate in order to take care of the retail merchants who operate in a restricted area which is much smaller than the coverage area of our television station. Of course, obviously when a national advertiser is interested in reaching customers over the full area of a station, he is in a position to pay more than, say, the local merchant who is trying to reach just the people of the city

itself, or the suburbs. Therefore, long before there were second stations, we already had established a retail rate in the case of Vancouver and also in the case of Toronto. We simply applied the same practice in other cities more recently because we are trying to attract the retail merchants and get them to buy advertising on our stations. I believe this is a normal practice; it is not a rate cut.

Mr. McCLEAVE: Then what you are doing is training your sales force to place more emphasis on the local market, as opposed to the national market. Is that what is happening?

Mr. OUMET: Yes. It is a combination of both. I think we are trying to be aggressive in both markets.

Mr. McCLEAVE: You are meeting competition with competition.

Mr. OUMET: We are trying to achieve our commercial targets. At this time it is difficult to achieve them, because of the conditions which I described to you at the last meeting. It is an economic problem generally and the advent of the second stations has divided up the advertising dollar so that there is a tendency for us to get less and we have to be as aggressive as we can.

Mr. McCLEAVE: You will use the word "competition"—it is not a nasty word to the C.B.C. is it?

Mr. OUMET: When we are in the commercial field and when we are trying to sell a program or sell advertising, definitely we are at that moment in competition, but just at that moment. We are not in competition in the production of programs.

Mr. McCLEAVE: I wanted to know that you could pronounce the word "competition".

Mr. HORNER (*Acadia*): I want to follow this up a little more. As Mr. Ouimet now explains, there is, generally speaking, a network rate and a local rate for local merchants. Am I right in this assumption?

Mr. McGRATH: A national rate.

Mr. HORNER (*Acadia*): A national rate and a local rate.

Mr. OUMET: No, it is a national rate for advertisers who are entrusted with getting the benefit of the whole coverage area of the station, and it is a local, retail, rate for these merchants who have not customers beyond the city.

Mr. HORNER (*Acadia*): You accept the rate first established—I am referring to the local rate—in Vancouver and Toronto and you have recently used it in some other city?

Mr. OUMET: Not just recently.

Mr. HORNER (*Acadia*): In the late fall? This seems to differ somewhat from your answer on page 444. On page 443 of the evidence you were asked this question:

Are the rates standard across Canada, or are they varied from one centre to another?  
and you answered:

They vary considerably from one centre to another, because the rates are based upon the audience that can be delivered.

Here you have just said you accepted the same local rates you had in practice used in Vancouver and Toronto.

Mr. OUMET: We have accepted the same practice of having a retail rate different from a national rate, but nevertheless the rate in Toronto, because of the much greater population, or the rate in Montreal, is much greater than, say, the rate in Halifax or even Vancouver where there is less population.



Mr. HORNER (*Acadia*): To follow this up once more and mark it clearly in my own mind, you judge your rates on the audience that you have a possibility of reaching, not the audience that you actually reach?

Mr. OUMET: Generally speaking, we base our rates on the potential audience, on the total circulation. In practice, if you do not deliver a sufficient percentage of that audience, you may not be able to sell at that rate.

Mr. HORNER (*Acadia*): For example, in Toronto where you might be able to receive seven or eight different stations, you do not determine what percentage of the market you are reaching and then set your rate on that? It would not matter actually whether there was another station in competition or another seven stations in competition with your rates?

Mr. OUMET: At the moment it is based on potential circulation, but I would not say that it would not matter if there were another seven stations because then the advertiser would probably refuse to buy some of the stations.

Mr. McGRATH: Last week, Mr. Ouimet, we were talking about the effect of the second network on what we now conceive as the national system—that is the C.B.C. and its affiliates. If I might preamble my question, Mr. Chairman, by quoting from the *Canadian Broadcaster* of May 18, 1961, page 18:

The CHAIRMAN: Excuse me, Mr. McGrath, is this on commercial rates?

Mr. McGRATH: Yes, the whole idea of this local rate is because of the second network, because of the splitting of the revenue—this was established from the questioning last week. Quoting from this article, page 18 of the *Canadian Broadcaster*:

Caldwell's eight signed-up stations are just the base of his operations. He can broadcast through any private station in Canada during hours not "optioned" by the C.B.C. These won't be prime viewing hours, but if he gives good service, they can expect the hard sell when their agreements with the C.B.C. expire.

He is referring to the affiliates. It goes on:

The C.B.C. has only 10 hours a day booked on the microwave and the Caldwell network will be able to use the other fourteen.

I want to comment in the light of what you said on page 581 of the evidence, Mr. Ouimet. You were speaking of the national system, that it had taken about eight and a half years to build up a national service, and the effect that the second network would have on this national service if it were to draw away the affiliates. This is what is suggested in this particular article.

Mr. OUMET: May I bring one important fact to the attention of the committee, and that is that all the existing television stations, other than those which were licensed as the second stations, all the original ones, are licensed to be part of the national service of the C.B.C. It is a condition of their licence that they be affiliated with the C.B.C.

Mr. McGRATH: May I interject? You say "national service of the C.B.C."; would you not be more correct in calling it the national broadcasting service?

Mr. OUMET: It is broadcasting, of course.

Mr. McGRATH: What I am suggesting is that the private stations of the other network can argue that they are also providing a national broadcasting service.

Mr. OUMET: I think this question of semantics is a rather complex one, but the history of this is that the C.B.C. was asked by parliament to provide a national broadcasting service, and the C.B.C. and its affiliates constitute this national service. The other stations—and there are a number of them in radio which have been independent from the national service—took no programs



whatsoever from the C.B.C., for example, CFRB or CKEY in Toronto or CKVL in Montreal. These stations, together with the national service, form the national system, and of course when I say "national" I could say national broadcasting service or national broadcasting system. So that the national broadcasting service is the C.B.C. and its affiliates which cover the whole of Canada nationally with programs which are also national in their character. The other stations are part of the national broadcasting system, and it is hoped by everyone that as the years go by the second network, the Caldwell network, will extend more and more through its own outlets to all parts of Canada and will be able gradually to extend its range of programming to include the kind of service which would make it truly national.

Mr. SMITH (*Calgary South*): You say it will not be before three generations, I believe?

Mr. OUMET: I do not think for two or three generations you can provide a full-fledged national service in Canada on a commercial basis—either the first or the second network.

Mr. McGRATH: They talk about eighteen months.

Mr. OUMET: It cannot be done to cover the whole country and provide the kind of service the C.B.C. is required to provide.

Mr. SMITH (*Calgary South*): The mandate from parliament remains—that would be a fair expression, would it not?

Mr. OUMET: I do not think it would change the situation at all, whatever the mandate of the C.B.C. is. I think this does not change the problem of providing a national service on a commercial basis.

Mr. SMITH (*Calgary South*): I suggest it does.

Mr. McGRATH: How do you make this interpretation of yours of the national broadcasting service—which is not your interpretation we understand—compatible with your present policy of bringing in local rates in various areas across Canada where you are established and where there are certain stations?

Mr. OUMET: I do not see the problem of the local rates; we operate locally.

Mr. McGRATH: But you never had local rates in Halifax prior to the advent of the second television station.

Mr. OUMET: We had them in Vancouver and Toronto and we found them necessary in order to meet our particular commercial objectives. As I explained to you, the combination of the advent of the second stations and the general economic situation, have made it necessary for us to find other means of getting the money that we have estimated.

Mr. McGRATH: But what does this local business have to do with your providing a national service?

Mr. OUMET: It brings us hundreds of thousands of dollars, which reduces the drain on the public purse. It is a small amount—I do not know what the amount is exactly, I believe it is less than a million dollars that we get out of these retail sales. Whatever we get, it is part of the total amount of commercial revenue that we have been asked by parliament to get.

Mr. McCLEAVE: The problem I think arises that when some of the second stations made their applications, they had assumed that the C.B.C. would continue to function under its sales policy as it had in the past. This may have been a wrongful attitude for them to take but it leaves them in the position, and also perhaps more important it leaves us in the position, where the taxpayers of Canada are being asked to introduce a new factor in the competition. This is very disturbing; there is the whole weight of public moneys being

thrown into this battle. I do not know if there is any easy answer to it, but I know a lot of people who have said to me that this is unfair. How does the C.B.C. answer that criticism?

Mr. OUMET: I wish I had the total of our retail sales to give to the committee at this time. We can look it up. Frankly, I do not think that this is a factor that will make or break the second stations. Furthermore, I would like to remind you that at the time of the application of the second stations I think every one of them came before the B.B.G. stressing the advantages of competition—and you used the word yourself before—and now that there is some competition in the local field there seems to be a reaction against those very principles which seemed to be so sacred two years ago.

Mr. McGRATH: They are at a disadvantage. They have to worry about overhead; you do not.

Mr. OUMET: We have to do so many other things that they do not have to do that it balances out very well. At the end of the year—not this year but two or three years from now—they will not be worrying as they are worrying now. During the first few months of their operation it is difficult, and we have every sympathy for them; but do not forget that every private broadcaster that started in 1953 and 1954 and 1955 had to operate for two or three years before he could break even. It is much easier now.

Mr. SMITH (*Calgary South*): You would say it was all part of the mandate, would you not, Mr. Oumet?

Mr. OUMET: What mandate are you speaking of?

Mr. SMITH (*Calgary South*): This is the term you so loosely apply to all of these problems.

Mr. McCLEAVE: I am not objecting to competition. I have tried to egg on the C.B.C. in the past towards more aggressive sales policies, but your answer is that they should have foreseen the situation. If you say that, I am perfectly happy. They got themselves into it, let them fight their way out; let the better station win. Is that what you say?

Mr. OUMET: I think the private stations knew already when they applied what our practice was in Vancouver, and I do not see that they can claim that something new has been done, because it was done before they ever started.

Mr. CREAGHAN: I would like to ask a follow-up question on this question of rate. I am now thinking of the attitude of the local merchant, particularly in Halifax, as raised by Mr. McCleave. Is it fair for me to interpret from what has been discussed this morning, that in the case of Halifax prior to the second stations, you had local advertising but not a local rate? Is that correct?

Mr. OUMET: This is correct, we took local advertising in the sense that we took advertising to be transmitted locally, but it was mostly from national advertisers.

Mr. CREAGHAN: Did you have a full-time local retail sales force in Halifax prior to the second station? In other words, were you looking for business in Halifax?

Mr. OUMET: Yes.

Mr. McGRATH: You did not have a local rate card?

Mr. OUMET: We did not have a retail rate card. This is not quite the same—local, national and retail, as well as spot.

Mr. CREAGHAN: If you were a businessman in Halifax, how would you look on the C.B.C.? In 1959 you approached the business people and tried to sell them time. You would charge them a rate, and at the same time your office in Vancouver would be approaching merchants and charging them a lesser rate for the same service. Then the second station comes to Halifax and you



accelerate your sales promotion and you go back to the same merchant you saw in 1958 or 1959 and you offer him the same advertising, perhaps even a bigger audience because of the growth in the population, and at the same time charge him 40 per cent more or less than you did two years previously. How is the local merchant going to view your company on a goodwill basis? Perhaps what you have done is to antagonize the local merchant and he will not want to buy your local time.

Mr. OUMET: I do not think this is the answer, but since you are talking about the maritimes I will ask the vice president to tell you about what the practice is in Halifax.

Mr. BRIGGS: I think the point, Mr. Chairman, is that you have two different advertisers: one is advertising a national product, a product which might be wax or something like that, or shoe polish, which would be used by anyone within the coverage area of that station. This would have an appeal to anyone who saw or heard this.

Mr. CREAGHAN: It would affect 25 merchants, perhaps.

Mr. BRIGGS: On a local basis. If you get to the retail man who is selling shoes at such and such an intersection of the city, obviously he will not want to pay the same rate, the same amount of money, as the fellow who is doing it on a national or regional basis. People are not going to drive 100 or 150 miles.

Mr. CREAGHAN: I accept the principle and I understand you have done it in British Columbia. My point is however, why did you not attempt to put that policy into effect in Halifax before you had competition from a second station?

Mr. BRIGGS: We did. In Halifax it was put into effect a matter of four or five months before there was a second station there. It was two and a half years in Vancouver before there was a station there.

Mr. OUMET: May I add something else? The private stations also have a retail rate, and as far as I know our rates for retail merchants are no less than the rates of the second stations. I think this is a very important thing. Sometimes our rate is above, sometimes it is below, but they have exactly the same arrangements. The only thing that can be said about the C.B.C. in terms of criticism is because they have not done it sooner, but at that time we were in the good position of having a monopoly and we could get that much more.

Mr. HORNER (*Acadia*): Competition had a beneficial effect on the local merchants.

Mr. OUMET: Rather than on the corporation.

Mr. CREAGHAN: I commend the second station for coming into operation, if it had the effect of making it possible to local advertisers to advertise on T.V. at a better rate.

Mr. OUMET: In certain cities. We should add that the audience was also split.

Mr. McGRATH: Do you think that there might be some advantage if the B.B.G., in view of the nature of public and private broadcasting in Canada, forming a national service, were to control the rates for private industry?

Mr. OUMET: This has been suggested before, and as far as I understand the present system it is to be a two-board system where the operating side is entirely divorced from the regulatory side, and that system can be made to work if we are all very, very careful to recognize that it is a dual system and we keep it dual, but if the B.B.G. gets involved in rates or in anything to do with operations, then you will cease to have your dual system and you will



be right back where you were before with a single authority. I am not favouring one system rather than the other. We operated very well under the single board system, but now we have two boards and we had better be very, very careful to keep their fields of authority entirely separate and without duplication; otherwise we will end up with one board again.

Mr. HORNER (*Acadia*): Has the corporation changed its attitude recently or in the last one or two years with regard to charging rates for commercial programs on Sundays?

Mr. OUIMET: I think you are referring to spots, and there has been a change recently in the acceptance by the corporation of spot advertising on Sunday, which we did not do before.

Mr. HORNER (*Acadia*): When did this change come about?

Mr. OUIMET: Fairly recently; two months ago.

Mr. HORNER (*Acadia*): Would it be right to assume that perhaps second broadcasting networks had something to do with this, or the second stations generally?

Mr. OUIMET: No, again it is a question of the amount of advertising revenue which parliament expects us to get. If this is a high figure, we have to take means to get it.

Mr. HORNER (*Acadia*): Parliament does not lay down that it is a high or a low figure, does it?

Mr. OUIMET: It works the other way. If we appear before treasury board and ask for certain amounts of money to take care of our operations and the amount is not approved, then we have to take other means to supplement our revenue.

Mr. HORNER (*Acadia*): In other words, if there is a feeling you are going to go over your budgetary amount granted from parliament, then you can get out and carry on a little more extensive sales program, such as selling spot announcements?

Mr. OUIMET: No, this is all part of a plan, and do not forget that this year we expect, in 1961-62, a considerable reduction in our total commercial revenue as compared to what it would have been had business continued normally and if there had not been second stations. So, in order to compensate for that and not to ask for too much from parliament, we took this measure of accepting spot advertising on Sunday.

Mr. MACDONNELL: Like Mr. McCleave, I regard the word "competition" as a respectable word. Sometimes it is prefaced by the word "cut-throat" and then it becomes a very unpleasant thing, and sometimes very unfair. I have been listening to the discussion but I have heard no suggestion that the C.B.C. is using its position whereby it can tap government funds for the purpose of producing cut-throat competition, which would be unfair to private operators. I have heard no such suggestion and I hope that this means that that suggestion is not being made. As a matter of fact, I am glad to think that the private stations seem to be getting along very well.

Mr. SMITH (*Calgary South*): Mr. Ouimet, might I ask, sir, if it would not be too difficult to obtain for me the cost of the Lacombe installation initially, and with the addition of boosters, together with the anticipated cost of the new production. I would like to have an estimate as to the cost of that site.

Mr. OUIMET: It would not be very difficult to produce this.

Mr. CHOWN: Can I put a question on production of some information? I would like to know how many people subscribe to the *C.B.C. Times*, and perhaps there could be prepared just a miniature balance sheet of what the costs of producing are, what your revenue is and the number of subscribers.

Mr. OUIMET: It will be done.

The CHAIRMAN: You do not want the names of the subscribers also, do you?

Now we have a prepared statement by Mr. Ouimet concerning the football telecast which will be distributed.

On May 18 Mr. Horner requested a return showing the names of firms which submitted tenders for the construction of the Edmonton T.V. station. These will be distributed through the mail.

On May 14 Mr. Chown requested a return showing the cost of overtime in relation to salaries at various locations. This will be distributed as well through the mail.

Mr. CHOWN: How much of it is going to be filed as an appendix to the minutes, Mr. Chairman? There is one statement which is bulky, but the two others are not.

The CHAIRMAN: We can file these two returns as an appendix, and the statement by Mr. Ouimet. Is that agreed?

Mr. McGRATH: What is the procedure for the next meeting?

The CHAIRMAN: Mr. Ouimet will be here on Thursday morning, and on Thursday afternoon Mr. Carter will be back to finish up on personnel any further questions on personnel and go on to talent unions, unions generally; and if that is completed Thursday afternoon, then international services.

## APPENDIX "A"

STATEMENT BY J. A. OUIMET, PRESIDENT, CANADIAN  
BROADCASTING CORPORATION

To: Parliamentary Committee on Broadcasting, 1961

Re: 1961 Football Telecasts

The Canadian Broadcasting Corporation considers sports coverage to be an essential and integral part of a well-balanced national broadcasting service.

To that end it became interested in the broadcasting of football through its television facilities some years' ago.

For the past years Corporation networks have broadcast regular league games of the IRFU (Big 4) to audiences from northwestern Ontario to the eastern tip of Newfoundland; and regular games of the WIFU (the Western Conference) from eastern Manitoba to Vancouver Island in British Columbia.

Each year the CBC has further broadcast the playoff games of both leagues, including the showing of Western playoffs in the East and Eastern playoffs in the West, culminating in the broadcasting of the Grey Cup throughout the entire country.

It is fair to say that the enterprise of the Corporation in developing football television coverage has made the Grey Cup spectacle a truly national event.

It is equally true that Corporation telecasts over a period of years created football fans in areas where the game had never previously been seen.

As the result of television coverage, football as played in the Big 4 and the WIFU was well on its way to becoming a national sport in the same sense as hockey.

In an overall sense, the coverage of football has not been a profitable operation for the Corporation because of the high costs involved (a) for the rights, and (b) for distribution.

The telecasts, however, did make good viewing fare and constituted a worthwhile addition to the national program services.

This year the Corporation again bid for the rights to telecast games of the Big 4, the Western Conference and the Grey Cup.

It was announced in February, 1961, that the Big 4 rights had been awarded to CFTO—a Toronto television station. It was announced last week that the Western Conference rights had been awarded to CBC.

Although the CBC submitted its bid for the Grey Cup many weeks ago no decision has been announced, at least publicly.

The sale of the 1961 television rights for Big 4 games has been the subject of some controversy to date and the Corporation understands it is this facet of the football picture on which the Committee wishes background information.

In 1960 the Corporation paid \$325,000 for the Big 4 rights. There was a major restriction. The telecasting of "home" games was "blackout" within a 70-mile radius of where the game was being played.

The general price level for the rights had been established several years ago when a brewing company is reported to have paid up to a million dollars for a three-year period. Football team budgets were geared to this degree of income from television.

This year the CBC again entered a bid in the form of a tender. We did so at a time when a second television network was in prospect and we had heard that another party might also enter a bid.

The Big 4 had two bids—one from CBC, the other from CFTO-TV—a television station in Toronto.



The CBC offered \$360,000 for one year or \$355,000 per year for two years, plus guaranteed distribution of the games from Kenora to St. John's, Newfoundland, plus Canada-wide facilities for the coverage of games played in the inter-locking schedule.

CFTO offered \$375,000 per year for two years—and no guaranteed distribution whatsoever.

The Big 4 accepted the CFTO bid—and the controversy started.

CFTO had no network, it had no network facilities, it had no permission to operate as a network, it had no agreements with other television stations—and further, it could not even broadcast Toronto games over its own station because of the Big 4 blackout restrictions.

The Big 4 had three-quarters of a million dollars—and had handed over the rights to

CFTO, which had the rights and a bill for \$750,000—but no live coverage in sight, and

the CBC had complete coverage facilities—but no rights, and no football for its viewers.

It was obvious something had to be done or there would be no football games on TV.

The Big 4 had already agreed to sell the rights, so that left it up to CFTO and the CBC. We had discussions with CFTO—to no avail.

Knowing the contract between CFTO and the Big 4 had not been actually signed, the Corporation offered to buy the rights from either the Big 4, or from CFTO, so that viewers could be assured of television coverage. We did this by telephone and by telegram.

The answer came during a press conference when the formal signing of the contract between Big 4 and CFTO was announced.

The Corporation then went directly to CFTO. We tried to buy the rights outright. This met with a flat refusal from CFTO with no attempt at negotiation.

In another attempt we again offered to buy the rights, this time under an arrangement whereby CFTO, as well as our own station, would carry the games in the Toronto area.

At this point the Corporation received a final refusal to sell from CFTO. We had tried four times to get the rights—attempts to open negotiations by duplicating the bid we had made to the Big 4—\$710,000 for two years.

It now became essential for the Corporation to protect the interests of its viewers, its affiliates and its own budget.

We did this quickly and advantageously. CBC football fans from Kenora to St. John's will this year see the world's best football in games of the National Football League. These will be broadcast over CBC's Eastern network on Sunday afternoons, starting in the Fall. We would have preferred another day for broadcasting football but this is the only day on which the games available to us are played.

In addition to football we have obtained the rights to a great many outstanding Canadian and international championship sporting events on a 52-week basis. These will take place largely on Saturday afternoons and have already started on our networks.

Fifty percent of this weekend sports package—which we are presenting under the title of "The World of Sport"—has already been sold and our Sales Department expects to sell the balance.

It is sports programming which meets the interests of our viewers, our affiliates—and our budget.

The CBC wanted Big 4, we were sorry to lose it—and we will probably be after the rights again in two years or so, if the price is within reason. If not, we will make other arrangements.

This story would end right there—if we were in normal competition with another network on this matter of football.

But the fact is we are not in normal competition. And the successful Big 4 bidder is, in our view, still trying to get himself out of a spot.

Having refused to sell the rights to CBC, station CFTO had to do two things: it had to get sponsors so that it might get back in full, or in part, the three-quarters of a million dollars it had paid for the rights.

But CFTO could not get sponsors until it could find a way to get its football games on the air.

CBC cannot speak for CFTO but CBC officials were present at a recent public hearing of the BBG when a lot of the facts mentioned herein came to light. CFTO applied for permission to operate a temporary Toronto-Ottawa-Montreal network for one month to broadcast football—and this was turned down by the BBG.

S. W. Caldwell applied for permission to operate a television network with 8 affiliated stations and this was approved.

It was further approved that CFTO could distribute the Big 4 games over the Toronto-Ottawa-Montreal stations of the Caldwell network, thus assuring coverage of the games to Big 4 home town fans—whenever blackout restrictions do not apply.

At this point it should be stated that the CBC in no way questions the Big 4's right to sell these football rights, nor CFTO's right to buy. This was an item placed on the open market.

However, when the Big 4 elected to grant the rights to a buyer with no distribution facilities, and no guarantee of securing such facilities, as against guaranteed distribution through all of Eastern Canada and further tie-ins with Western-played games—then the CBC can only conclude that the Big 4 thought the additional \$20,000 per year—or \$5,000 per team—more important than the public interest.

On the other hand the Corporation cannot believe that CFTO had the public interest at heart either. When this station made its bid it had been known for months that the CBC would strongly oppose any development which would result in the splitting of the CBC network. Consequently, CFTO knew that CBC network stations would not be available for its use. The station had no agreement at that time with other second stations in Ottawa and Montreal for out-of-town game pick-ups. If the station had checked with the communications companies it would have known there were no network facilities available. In addition, the station had no permission from the BBG to either operate or participate in a football network, even if facilities had been available.

In the face of all this, the station bid successfully for the rights.

My point here is that the Corporation on the strength of this evidence cannot accept any statement by either the Big 4 or CFTO claiming public interest. There was no consideration for the public at the time the rights were sold—and that was when it counted.

In the light of these facts, it is interesting to note subsequent developments.

First, the facts were all confirmed at a public hearing of the BBG by Mr. John Bassett. (Mr. Bassett has the Toronto Telegram, is Chairman of CFTO and is also, I believe, Chairman of the Toronto Argos of the Big 4.) They have not since been denied by the Big 4.

Mr. Bassett also told the BBG that he had not been successful up to that point in recovering his football costs from sponsors.

Despite this, CFTO has been making public statements to the effect that they would be delighted to offer the games—at no charge for the rights—to CBC network stations... as long as they weren't the five CBC-owned stations in Toronto, Ottawa and Montreal.



This allegedly free offer is interesting.

The Corporation and its affiliate representatives flatly refuse to believe it is made on the grounds of public interest at all. If there was concern for the public interest it should have been apparent at the time the rights were bought and sold.

In our view it has been made either to embarrass the Corporation or to get the Big 4 and CFTO out of a spot—a belated Big 4 concern for their public relations, and a CFTO concern for its finances.

We can only believe the offer has been publicized for propaganda purposes ... because the offer has never been made directly to the Corporation, nor have any of our affiliates advised that it has been made to them.

To the best of our knowledge it has been made only through the press—and in a most vague manner during a private conversation between Mr. Bassett and myself.

It has appeared in a different form on three separate occasions. Each has but one thing in common. Games are offered commercially only to those stations wanted by the sponsor.

However, this point became a hypothetical issue weeks ago when the CBC was refused Big 4 rights and made other commitments for its networks in football and other sports. Because of these commitments—which are public knowledge and thus known to CFTO—the CBC cannot carry the Big 4 schedule this year.

Knowing that CBC networks are committed it is interesting that CFTO is still making public statements pressing for a split in CBC networks to provide the distribution facilities CFTO never had.

CFTO gambled when it bought the Big 4 rights—perhaps it gambled on public pressure forcing the CBC to split its networks.

CFTO can gamble if it wishes. But it must not expect the Corporation to gamble with the future of the national broadcasting service, established by Parliament, just to get CFTO out of a spot that perhaps it shouldn't have gotten into in the first place.

To the CBC—and to its 46 privately-owned affiliated stations—the crux of the whole matter is the future of the national television service.

We believe that this incident raises questions fundamental to the future of broadcasting—a matter of prime importance and concern to the Committee.

The problems raised by football are not those of private enterprise versus public enterprise. The football situation illustrates this. The CBC refusal to split the network on football was upheld in a resolution passed unanimously by our privately-owned affiliates at a meeting in Vancouver.

### *Network Splitting*

All major changes in Canada's broadcasting system over the past twenty-five years have been designed to strengthen the national service—not to weaken it.

The proposal for a network of at least six privately-owned television stations does not in itself pose a serious problem for the national television service. The problem arises out of a suggestion that CBC network stations might be made available to the second network. This idea was expanded when the second Toronto station suggested that non-CBC network stations be made available to a temporary network concerned only with the broadcasting of football.

At last September's public hearings of the BBG and again through the press this spring the CBC has gone on public record as being strongly opposed to network splitting cross-affiliation or any other term which might be used for the scrambling of program distribution.



The national service is an effective combination of private broadcasters and public broadcasters. There are 67 television stations in Canada, not including 25 satellites and relays. Of these 67 stations, 59 are part of the national television service, and 46 of these are privately-owned.

There are only 8 television stations operating in Canada today which are not part of the national television service. There will be a ninth (Edmonton) in the fall. These will comprise the second network.

The strength of the national television service lies to a great extent in the inter-dependability of the CBC and the privately-owned affiliates. The affiliates look to the Corporation to provide a well-balanced and regular service of national programs plus special events at home and abroad as they occur. The CBC looks to the privately-owned affiliates for a very good share of the distribution of the national program service.

The national service derives further strength from its long-established flexibility. Private affiliates know they can receive clearance from network commitments from time to time to serve special local needs. Conversely, the Corporation knows that the affiliates will clear local time to carry special national programs of importance and interest. The introduction of third-party commitments would destroy much of this flexibility wherein lies much of broadcasting's strength.

The successful functioning of the national service as established by Parliament derives from the loyalty of the individual stations to the parent network. Commitments of any kind to another network or networks would divide, and inevitably weaken, this loyalty. This result could be a situation where the complete national service we now know would be replaced by two incomplete services.

The fact that the proposed second network (which was intended to help member stations share program costs) does not have facilities which match those of the established national service should in no way excuse the "raiding" of CBC network stations. A responsibility of the second network might be to confine itself to those undertakings which it is capable of carrying out by itself. It should not seek success, prestige or promotion by actions which might even partially destroy a tremendous national asset that has taken nearly nine years to build.

With but one exception, second stations exist only in cities where CBC-owned stations are located. Consequently, in network splitting, they would seek to supplant the publicly-owned stations. It appears incongruous that CBC stations established through the expressed will of Parliament should thus be denied even temporary access to CBC networks, also created by Parliament.

Second stations are not essential to the operation of the national television service. They may be helpful to and contribute to the overall broadcasting system but they are not necessary.

In terms of additional coverage, the second stations add nothing to coverage already provided by stations of the national television service.

In terms of alternate programming they enhance part of our broadcasting system through providing alternate viewing in 9 cities only. They do not provide alternate viewing to the nearly 60 other areas which are served only by stations affiliated with the national service.

In these 60 areas across Canada existing television stations could not carry a broadcast from a temporary or a second television network without cancelling either their own local service or part of the national service.

Who would benefit from network splitting? Not the CBC, and not the public purse. Would CBC privately-owned affiliates benefit? By and large this seems extremely doubtful. A few might—the majority would probably be left without network service.

Would the public benefit from network splitting? If second stations or networks cannot provide programs of national interest or importance which the CBC would be unwilling or unable to provide, then the public would not benefit. If network splitting resulted in lessening co-operation between the CBC and its affiliates the public would be the loser in the long run through a disruption in program services.

Would the second network or stations benefit from network splitting? In prestige—yes. In a promotion sense—yes. (This has been illustrated during the football situation.)

A second network might further benefit if the sale of a contract depended upon their having access to stations other than their own.

The effect of competition in the television field on the national service has not been particularly good. To date it has resulted in some losses in commercial revenue, there have been no second station Canadian programs produced calculated to inspire the CBC to still further production efforts, and the cost of Big Four football rights has risen by \$50,000. per year.

Television competition which results in certain events being lost to the national service can have an indirect but serious effect on future operations of the CBC. For example, the Corporation is called upon to provide in large numbers trained crews and specialized equipment for the coverage of such events as Royal Visits, the opening of Parliament and similar special events of magnitude. These events are always covered superbly but this is possible only because of the training which CBC crews receive in covering such events as sports and special events of many kinds. It is only because the Corporation does cover special events of this kind that it has the necessary equipment on hand when it is called upon to cover an event such as a Royal Visit. If the CBC had neither the crews nor the equipment available at such a time it could not possibly undertake such coverage. For example, for the last Royal Visit, it was necessary for the Corporation to assemble crews and equipment from all across Canada. We were able to do this only because our people had been trained in the coverage of other special events. The coverage of a Grey Cup game depends for its technical excellence upon the experience which our crews gain during the course of a football season in covering regular league games. Consequently, it is essential that the Corporation not be pushed out of certain program fields which may be attractive for commercial or prestige reasons to individual stations or other networks having neither the overall responsibilities nor the role of the Corporation.

The CBC and its affiliates are against only one thing—the splitting of CBC networks for what appear to be very nebulous purposes. It is doubtful if any CBC network station can increase its contribution to the national good through splitting its affiliation, its time or its royalties *on a network basis*.

### *The Broadcasting System*

I would like to add a final thought for the consideration of the Committee.

At the present moment I believe the Canadian *system* of broadcasting is at one of the cloudiest stages in its history.

I believe this cloudiness will be temporary but that decisions taken now, and over the next few months, could seriously affect our entire system of broadcasting. The wrong decisions can bring about a deterioration in standards and in service to the public.

I would like to mention three specific matters which I believe require clarification:

1. The role and responsibility of the second television network, or the Caldwell network, within the overall system.
2. The role and responsibilities of future ad hoc networks.



3. And perhaps the cloudiest item of all—the question of competition in television. Competition for what?

I should like to comment briefly on each, starting with this idea of competition in television.

When the initial stage of TV development had been completed and the demand for second television stations was growing, everyone thought this was a good idea, including the CBC. We thought so because a choice of programs for the viewer is advantageous to everyone.

Then the idea of a second network—a privately owned and operated television network—began to take shape. For a while there was a tremendous amount of speculation about the manner in which such a network would duplicate or improve on the service of the CBC. This speculation did not last as the economics of television gradually drove home to everyone.

The BBG was interested in a private network of some kind because it knew from testimony before it that the second stations might have difficulty in developing sufficient Canadian programs unless they could share costs through a network.

I should point out here that the CBC did not oppose either the development of second stations or of the private network. As a matter of fact, we said we would welcome the competition promised in Canadian program production. We are still looking forward to it. We believe competition in this area can be a good thing and we'd like the public to have the opportunity of comparing our television productions with those from other Canadian sources.

The Caldwell network has been very frank in its public presentations to the BBG. It has told them not to expect miracles, that it intends to produce only commercial programs, that any sustaining programs will be considered only if its member stations pay for them, and finally it agreed to operate a minimum of ten hours a week only with great reluctance.

I do not say any of this in a critical spirit whatsoever. We fully appreciate the economic and other difficulties which Spence Caldwell and his colleagues are facing. I have raised these facts to point out that the second network is not and will not be in competition with the CBC *except in a commercial sense*. It is not in overall competition because it has neither the responsibilities nor the revenues of the Corporation.

You may remember a paragraph in the Fowler Commission report which said that in those areas where competition did exist with private stations or networks, the CBC should compete vigorously. We intend to do just that in the commercial competition with the Caldwell network.

As I recall the first thoughts of a second network, there was talk of such a network developing slowly, based on stations in key centres with other stations being added slowly as they were built.

But that is not what we are hearing today. The current football situation illustrates a "new look" in competition which is both puzzling and dangerous to the national service.

The idea now seems to be this:

Stations of your own aren't really necessary. We have in Canada a ready-made network built up by public funds, the CBC and by the majority of private stations. All anyone has to do who wants to be a network operator is to buy up the rights to a mass appeal event, such as football, get approval for a temporary network from the BBG and then say to the CBC—get off your own network, Mr. CBC, we're in competition with you. To complete our deal, we need your facilities and the use of your affiliated stations. You can have it back after it has served our purpose.



If the future developments of our national television service is going to depend on the outcome of playing "network, network, who's got the network" then broadcasting will be reduced to a sorry state indeed.

That is why the CBC is strongly resisting any attempt to split its networks with others, knowing full well that everything possible may be done to make our position unpopular.

Network splitting of course raises the question of the role of ad hoc networks. The present legislation requires that they be permitted only for a special program or series of programs extending over a period of up to 30 days. We believe this to be a realistic provision.

If temporary networks were permitted for longer periods, a situation might well develop wherein temporary hookups would be established solely to take events such as football away from the established networks—whether CBC or private. We believe it would be unfair and harmful to the public interest in the long run to give temporary networks the baked Alaska while the permanent networks had to carry on only with meat and potatoes.

The third item is that clarification of the role and responsibilities of the Caldwell network is required in the near future. At the moment this future network has but two responsibilities—to broadcast ten hours of programming a week and to stay within the BBG regulations, including Canadian content percentages. These requirements may well be enough for the moment.

However, it is the CBC view that the privileges of operating a television network is a precious one indeed, entailing the highest degree of public responsibility. Access to the eyes and minds of a good share of the Canadian public for ten hours a week is a privilege so rare and so important that the establishment of network responsibilities appear to be clearly indicated.

We fully appreciate the fact that some of these matters are now the responsibility of the Board of Broadcast Governors, and indeed we have expressed our opinion on these matters to them.

At the same time, Parliament has given the Corporation a direct mandate to carry on a national broadcasting service. These matters I have raised could develop to a point where they would seriously interfere with the development—and perhaps even the maintenance—of the national service.

As a result I feel we would have been remiss in not bringing these matters directly to your attention—even in this sketchy fashion.

Ottawa, Ont.  
May 18, 1961.

## APPENDIX "B"

TENDERS—EDMONTON TV STUDIOS AND  
TV TRANSMITTER BUILDING*Contractors invited to tender*

Burns & Dutton Concrete & Construction Co. Ltd.  
W. E. Wells Construction Company Ltd.  
Poole Construction Company, Ltd.  
Bennett & White Alberta Ltd.  
Christensen & MacDonald Ltd.  
Stuart Olson Ltd.  
A. V. Carlson Ltd.  
Bird Construction Co. Ltd.  
Alldritt Construction Co., Ltd.  
Alta West Construction Ltd.  
Fekete Construction Co., Ltd.  
Forest Construction Ltd.  
Morin Bros. Ltd.  
Northgate Construction  
Universal Construction Co., Ltd.

*Tenders returned by:*

Stuart Olson Ltd.  
Bennett & White Alberta Ltd.  
Alta West Co. Ltd.  
Poole Construction Co. Ltd.  
Universal Construction Co. Ltd. (did not tender on Studio Building)  
Northgate Construction  
Forest Construction Ltd.  
Christensen & MacDonald Ltd.

*Successful Tenderers:*

Studio Building—Christensen & MacDonald Ltd.  
Transmitter Bldg.—Northgate Construction.

## APPENDIX "C"

## CANADIAN BROADCASTING CORPORATION

RATIOS OF OVERTIME TO BASIC SALARIES—BY LOCATION  
1959-60

LOCATION	%
<i>Head Office—Ottawa</i> .....	.44
<i>National Engineering Headquarters—Montreal</i> .....	2.61
<i>Northern and Armed Forces Service</i> .....	2.26
<i>Newfoundland</i>	
St. John's .....	6.05
Corner Brook .....	12.68
Gander .....	14.29
Grand Falls .....	10.26
<i>Newfoundland Average</i> .....	8.06
<i>Maritimes</i>	
Halifax .....	8.44
Sackville .....	6.00
Sydney .....	5.71
Moncton .....	7.38
<i>Maritimes Average</i> .....	8.18
<i>Quebec</i>	
Montreal .....	8.69
Quebec .....	9.56
Chicoutimi .....	13.19
<i>Quebec Average</i> .....	8.74
<i>Ontario</i>	
Toronto Area .....	7.44
Ottawa Area .....	13.01
Windsor .....	12.37
<i>Ontario Average</i> .....	8.03
<i>Prairies</i>	
Winnipeg .....	6.53
Regina .....	4.31
Calgary .....	8.66
Edmonton .....	4.07
<i>Prairies Average</i> .....	6.39
<i>British Columbia</i>	
Vancouver .....	4.92
Prince Rupert .....	3.92
<i>British Columbia Average</i> .....	4.89
<b>CORPORATION AVERAGE</b> .....	<b>7.20</b>



CANADIAN BROADCASTING CORPORATION  
OVERTIME BY EMPLOYMENT CATEGORY  
1959-60

CATEGORY	<i>Ratio of Overtime to Basic Salary</i>
<i>Non-Operating</i>	
Supervisory .....	0
Administrative & Clerical .....	1.67
Non-operating Average .....	1.22
<i>Operating</i>	
Technical .....	12.35
Production .....	7.13
Design & Staging .....	11.31
Film .....	7.1
Operating Average .....	9.66
CORPORATION AVERAGE .....	7.20

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 24

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THURSDAY, MAY 25, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President, Administration; Mr. J. P. Gilmore, Vice-President, Engineering and Operations; Marcel Ouimet, General Manager, Network Broadcasting (French); C. B. McKee, Director of Industrial and Talent Relations.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## CORRECTION

PAGE 595—In Appendix “B”—about middle of page, alongside Sydney, should read Radio Station CBI, instead of CBT.



## MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

THURSDAY, May 25th, 1961.

(27)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Vice-Chairman, Mr. Laurier Regnier, presided.

*Members present:* Messrs. Baldwin, Chown, Danforth, Fisher, Fortin, Horner (*Acadia*), Keays, Lambert, McCleave, McGrath, Mitchell, Pratt, Regnier, Smith (*Calgary South*), Smith (*Simcoe North*), Tremblay, Webb.—(17).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. J. P. Gilmore, Vice-President, Engineering and Operations; Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

In opening the proceedings the Vice-Chairman explained that the Chairman (Mr. Fairfield) was unavoidably absent on a very important engagement in his native province of Manitoba.

The following returns were tabled and taken as read:

1. Table showing gross operating and capital expenditures from 1946 to 1962 inclusive, in answer to a question by Mr. Lambert on May 16th. (*See beginning of Evidence hereafter*).
2. Table giving net commercial revenues for the Corporation's television stations, in compliance to a request from Mr. Horner (*Acadia*), on May 25th. (*See Evidence hereafter*).

Mr. McGrath speaking on a question of privilege brought to the attention of the Committee the fact that Members were not in possession of the report of the Minutes of Proceedings and Evidence of the meeting held on Tuesday, May 23rd, and he suggested that the Chairman take the matter up with the persons responsible to remedy this situation.

The Committee then resumed from Tuesday, May 23rd, its adjourned inquiry into the affairs of the Canadian Broadcasting Corporation, with Mr. Alphonse Ouimet still under questioning. Mr. Gilmore, by agreement, answered certain questions bearing on specific matters.

The proceedings were momentarily interrupted by the chairman. To welcome the presence in the Committee room of 24 correspondents from all over the world, accredited to the United Nations, who were introduced by Mr. Smith (*Calgary South*).

Before the conclusion of the interrogation of witnesses, Mr. Chown gave notice that he would, at the next meeting, move, seconded by Mr. Horner (*Acadia*),

That the detailed costs of the Don Messer show be produced to the Committee, including salaries and wages paid to all personnel involved.

To this, Mr. Fortin said he would move, in amendment, that the return include the same information, as a point of comparison, in respect to the show entitled *Le petit café*.

The witness undertook to supply this information.

At 11.00 o'clock a.m., the Committee took recess.

#### AFTERNOON SITTING

(28)

The Committee resumed at 3.00 o'clock p.m. The Vice-Chairman, Mr. Laurier Regnier, presided.

*Members present:* Mrs. Casselman, and Messrs. Baldwin, Fisher, Horner (*Acadia*), Keays, Macdonnell (*Greenwood*), McCleave, McGrath, Mitchell, Pratt, Regnier, Smith (*Calgary South*), Tremblay.—(13).

*In attendance:* From the Canadian Broadcasting Corporation: Captain W. E. S. Briggs, Vice-President; Mr. R. C. Fraser, Vice-President, Corporate Affairs; M. Marcel Carter, Vice-President, Administration; Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. C. B. McKee, Director of Industrial and Talent Relations; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

The Committee continued the interrogation of witnesses with Captain Briggs under questioning. Mr. Carter, Mr. Marcel Ouimet and Mr. McKee assisted the main witness in supplying answers on questions dealing with specific matters.

During the examination of witnesses, a Schedule showing Job Classifications within Bargaining Units was filed with the Committee and at the suggestion of Mr. Smith (*Calgary South*), it was agreed that the said Schedule be appended to the printed report of today's Minutes of Proceedings and Evidence. (*See Appendix hereto*).

And the examination of witnesses still continuing, it was adjourned to the next meeting.

At 4.45 o'clock, p.m., on motion of Mr. Smith (*Calgary South*), seconded by Mr. Tremblay, the Committee adjourned to meet again at 9.30 o'clock a.m., Tuesday, May 30th, 1961.

Antoine Chassé,  
Clerk of the Committee.

## EVIDENCE

THURSDAY, May 25, 1961.

The VICE-CHAIRMAN (*Mr. Regnier*): Will the meeting please come to order. I regret to say that our chairman is absent. However, Dr. Fairfield is away on the pleasant duty of attending the graduation of his daughter. I hope you will bear with me.

Mr. CHOWN: At that great institution of learning, the university of Manitoba. You should get that plug in for your native province.

Mr. PRATT: Could we have station identification, now.

The VICE-CHAIRMAN (*Mr. Regnier*): Before we commence, some documents have been requested. Mr. Lambert, May 16, requested a return showing the C.B.C. pattern of capital expenditures from 1946 to 1962 inclusive. This information has been filed and will be written in with today's evidence.

### CANADIAN BROADCASTING CORPORATION GROSS EXPENDITURES—OPERATIONS AND CAPITAL (In 1,000 Dollars)

Fiscal Year	Operations Expenditure	Capital Expenditure	Ratio of Capital Expenditure to Operations Expenditure
	\$	\$	%
1945-46.....	7,545	218	2.89
1946-47.....	7,824	111	1.42
1947-48.....	8,637	1,174	13.59
1948-49.....	9,894	712	7.20
1949-50.....	10,676	442	4.14
1950-51.....	12,148	1,108	9.12
1951-52.....	14,052	2,467	17.56
1952-53.....	18,055	2,590	14.34
1953-54.....	24,461	4,415	18.05
1954-55.....	36,599	5,384	14.71
1955-56.....	50,638	5,247	10.36
1956-57.....	63,583	4,891	7.69
1957-58.....	75,536	4,991	6.61
1958-59.....	87,314	5,125	5.87
1959-60.....	94,040	6,260	6.66
1960-61.....	102,720	5,619	5.47
1961-62.....	109,868	9,640	8.77
Average.....			8.23%

The VICE-CHAIRMAN (*Mr. Regnier*): Another document was requested by Mr. Horner on May 23, regarding information about commercial revenue of TV production centers. This information is available and also will be included in today's evidence. Mr. Horner indicated he wished to have this information for comparison with the estimated revenue of the Edmonton TV station.



COMMERCIAL REVENUE—PRINCIPAL CBC TV STATIONS  
1960/61

(Net of Discounts and Commissions)

Station	Revenue
CBHT—Halifax .....	610,656
CBFT—Montreal .....	2,341,652
CBMT—Montreal .....	1,833,434
CBOT—Ottawa .....	1,071,866
CBOFT—Ottawa .....	249,676
CBLT—Toronto .....	2,282,225
CBWT—Winnipeg .....	1,100,246
CBUT—Vancouver .....	971,411
<b>TOTAL</b> .....	<b>10,461,166</b>

The VICE-CHAIRMAN (*Mr. Regnier*): Mr. Ouimet, would you like to explain the first table which I mentioned?

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): With regard to the tabulation of capital expenditures, which also includes the tabulation of operations expenditures for the same period, I would like to draw to your attention that the last two years are on the basis of estimates only. We should have indicated this by an asterisk and a note. Actually 1961-62 is not yet voted, and the 1960-61 figures are not yet final.

The VICE-CHAIRMAN (*Mr. Regnier*): This morning we are still dealing with finances.

Mr. McGRATH: About this time every session there is a situation which always seems to occur. I remember bringing this up last year. This is something which I think affects every member of the committee when we are trying to do our work effectively. What I would like to bring to the attention of the committee is the fact that we are not in possession of the minutes of proceedings and evidence of our last meeting which was held on Tuesday. I respectfully suggest that the chairman take up this matter with the clerk of the committee in an endeavour to expedite the evidence in time for the following meeting.

The VICE-CHAIRMAN (*Mr. Regnier*): I understand that it is almost an impossibility to have this done now on account of the large number of committees which are meeting at the same time.

Mr. McGRATH: Notwithstanding that, I still think it should be brought to the attention of those persons responsible.

The VICE-CHAIRMAN (*Mr. Regnier*): We will do that.

Mr. BALDWIN: I sit on several other committees and I believe here we are getting our transcript as promptly or possibly better than in most committees. The situation on Tuesdays and Thursdays is most difficult. Without detracting from what Mr. McGrath says, I think we should bear in mind the tremendous job the reporters are doing at the present time.

Mr. CHOWN: There are seven committees this morning.

The VICE-CHAIRMAN (*Mr. Regnier*): There are four this morning, three this afternoon and one this evening.

Mr. CHOWN: My total was approximately correct for the day.

Mr. Ouimet, I have a huge question to start the day happily. I was looking at the staff distribution sheet. I notice from the accumulated totals that you have 1,401 personnel in Montreal, 1,344 in Toronto and about 165 in Ottawa.

It has occurred to me the committee should learn the history of the development of the two large production centres in Toronto and Montreal and per-

haps you, as president of the corporation, could give us your opinion as to the amount of duplication that is incurred in equipment and personnel, and whether or not by combining the French and English production in one centre such as Montreal—perhaps it is only as a westerner I can put this question to you—combining the language culture, talent, facilities and personnel in a centre such as Montreal you might eliminate a tremendous amount of duplication. That is only my opinion and I wonder whether or not, with the property you have already acquired in Montreal, and I believe you have just acquired some additional property there, amounting to 23 acres, and realizing that the national film board is there in very elaborate style, perhaps in making a general comment on a huge question such as this you could tell us how the national film board could be tied in with your production, or how you could work cooperatively together?

Mr. OUMET: Mr. Chown, as you say, it is a huge question but the answer is going to be just as simple, because it cannot be done. Now, I am going to explain why it cannot be done. In the first place let me settle a few of the points that you had on your mind with respect to the saving in facilities. Both at Montreal and Toronto our facilities are loaded to maximum capacity so that, so long as we have the same number of programs, the same total hours of production in French and in English, even if they were brought together in one city it would not reduce the facilities appreciably, at least in so far as the number of studios is concerned and in so far as the number of recording units are concerned. But you might save on some of the accessory facilities, on storage of sets and on the manufacturing of sets.

However, I do not think this would represent a tremendous saving on the total but, of course, the really important point to consider is that the French Canadian artistic and intellectual life of Canada is centred in Montreal, just the same as in the case of English speaking Canada—

Mr. McGRATH: Careful.

Mr. MITCHELL: Do not mention any cities.

Mr. OUMET: —the largest concentration of artistic life is in the city of Toronto, at least so far as we are concerned. We originate 65 per cent of our English television programs from Toronto and we originate something like 11 per cent to 14 per cent—speaking from memory—from Montreal, and the rest from other parts of the country.

I do not think it is possible to expect production in both languages from one city but, if it were, obviously that city would have to be Montreal because it is the only one which can produce the French element of our programming. In fact, it would be an impossibility, not only from the artistic standpoint but also from the point of view of those contributions to our programming which reflect the English language thinking of the country. You just simply cannot do that from Montreal. I think Mr. Pratt asked a similar question earlier.

Mr. PRATT: Yes I did, last year and even the year before. Of course we all know that a great deal of talent operates out of Toronto, talent which comes from Vancouver, Winnipeg and other parts of the country.

Mr. CHOWN: Hear, hear.

Mr. PRATT: Of course many artists also come from Montreal.

Mr. HORNER (*Acadia*): What about Alberta?

Mr. PRATT: I said other parts of the country. It seems to me and a great many other people interested in Canadian talent that when the television side of the C.B.C. was first formed, had production originated from one city and, as you say, Montreal seems to be the most logical if we are to have a bilingual



operation, the results of French and English Canadians working together in the same city, discussing their work in off-stage hours, engaged in producing and writing, would probably have produced something really Canadian. I have discussed this with a great many people in the talent world and they agree with that. It would not be just the sum of their talents, but the product of their talents. Many of us feel the C.B.C. missed the boat by separating the two cultures. The C.B.C., like the C.P.R., was formed to tie this country together, and many of us feel that putting the English section in Toronto and the French section in Montreal has destroyed this wonderful possibility.

Mr. OUMET: I can agree with you in respect to the advantages that could be got out of such a combination, if it were possible to carry it out. I am just saying that in practice we have considered the problem several times during our history, and we have come to the conclusion that we could not artificially transpose the artistic and intellectual elements which are present at the moment in Toronto into another city.

Mr. PRATT: At the moment; but when you started in 1951 or 1952 there was a very different picture.

Mr. OUMET: Actually this goes back to when we started in 1918, 1920 and 1922. That was the time when the artistic elements in English speaking Canada converged on the city of Toronto, like the French elements converged on the city of Montreal. This, I may say, is not a typical Canadian problem. That is what has happened in all countries in the world. It is a problem which you find in England, in France and in the United States, and the only difference here is that we have the two cultures. As I say, in all countries talent gravitates to one city, and usually it is the largest city.

Mr. PRATT: That is exactly what we are saying.

Mr. OUMET: It is the largest city, except in the case of Montreal. That is not the largest English language city.

Mr. PRATT: There are about a million people in Montreal who speak English, including the French bilingual citizens, and I think this compares very well with the number of people who speak English in the city of Toronto.

Mr. OUMET: Mr. Pratt, I should like to be able to say "yes" to you. I come from Montreal myself and it would simplify our organization considerably, if it could be done. In that case our headquarters could be in the same place as our production facilities. At the moment, because of the two languages and because the centres of gravity of the two cultures are in two different cities, we must have two different production centres and because we have these two network centres, one in Toronto and one in Montreal, then we made our headquarters in Ottawa, a point somewhere in between, to supervise the operations of the two. I agree it would be advantageous, but frankly I do not think it can be done.

Mr. PRATT: There was a wonderful reaction at Stratford when the French and English cultures were brought together. That had wonderful results, and we now have the school of the theatre in Montreal, which is bilingual, and which operates out of Stratford in the summer and out of Montreal in the winter time. I suggest there might be some thought given to the matter at this time when the C.B.C. is embarking on huge capital expenditures, not only in Toronto and Montreal, but also possibly in Ottawa. It seems to me that before embarking on these tremendous expenditures we should seriously give consideration to the possibility of consolidating all these facilities and all this talent in the metropolis of Canada. If that were done I believe it would produce something in the way of a really true Canadian culture.



Mr. CHOWN: Mr. Ouimet, you did not comment on the tail end of my question, which related to the national film board. Do you use them or do they use you? Are you both really necessary?

Mr. OUIMET: I do not know how one could describe our relationship, but it is an excellent one. We use a lot of their films. They produce a great number of excellent shows which we use on television, but we have not found it possible to use their facilities, or for them to use ours. Neither do I think this would be possible in the future.

Mr. McGRATH: Why?

Mr. OUIMET: We have separate needs because we have entirely different schedules of production. In our case we have got to put a program on the air at a certain time, and we must have a studio ready for it. In their case they may be using their studios for two or three months at a stretch, to produce programs which may not be shown until six months later.

Mr. CHOWN: Could we have some indication as to the number of films you buy from the national film board, and of what you pay for them. Do you pay them going rates for their programs?

Mr. OUIMET: We would be very pleased to get you figures of the number of national film board films that we use. We pay what is known as the television price for their films. You see, they make films for their own circuits. Generally speaking, we pay something about half of the production costs, and they absorb the other half in their own usage on their film circuits.

Mr. CHOWN: Do you find them to be hard bargainers? It is not all pals together, and we will give you a nice discount?

Mr. OUIMET: No; over the years the prices have gone up considerably. At the very start we were able to drive a better bargain than we are able to do now.

Mr. McGRATH: I was interested in your reply to Mr. Chown as to why you could not avail more of the facilities of the film board in Montreal. Would it not be possible in availing more of these excellent studio facilities to produce programs there and tape them—various types of programs which would lend themselves to that operation?

Mr. OUIMET: We should have to equip all their studios with electronic type cameras instead of film cameras. These are film studios, not television studios, and equipment is a considerable part of the cost of studio installation. As a matter of fact, in our consolidation plans for Toronto and Montreal the equipment was about the same cost as the building itself.

Mr. PRATT: Do you not think that in the foreseeable future tape will largely, if not entirely, replace film as a recording medium?

Mr. OUIMET: I do not think so.

Mr. PRATT: You do not think so. That is your opinion as a technical expert, which you most certainly are?

Mr. OUIMET: I think it is the opinion that studio tape makes it possible for us to do miracles in certain ways, particularly in providing an economic way of delaying for a short time. On the other hand, when you want flexibility, film is much better than video tape, because video tape must always have the bulky television cameras to go with it.

Mr. PRATT: Do you think these cameras are going to remain so bulky, considering the technical progress being made all the time?

Mr. OUIMET: I think in relation to film the electronic equipment will remain bulky. I am not talking about 25 years from now, because one never knows what may happen in that time.

Mr. PRATT: Speaking about savings in time and money, when you can shoot pictures on tape you can then do away with the settings and let the actors go. Is there not a tremendous saving in that area?

Mr. OUIMET: There is a tremendous saving, so far as we are concerned. If we are making a television program, by all means let us do it on video tape with television cameras, but I thought your question was directed to the use of video tape instead of film for making motion pictures, in which case film is the thing for the foreseeable future.

Mr. PRATT: We are not talking about motion pictures. We are talking about television.

Mr. OUIMET: I thought we were talking about both.

Mr. PRATT: We are talking about both because we can consider the possibility of combining your efforts with the efforts of the national film board, which has a large plant in the city of St. Laurent.

Mr. OUIMET: Speaking in terms of large plant, I think the film board has two studios, two sound stages, and they may have smaller studios also. We have something like seven studios, and our need for studio space is much greater than theirs.

Mr. CHOWN: How many stories has their building got?

Mr. OUIMET: I do not know.

Mr. CHOWN: Being a Montrealer I thought you would know.

Mr. OUIMET: To tell you frankly, I have not been there recently and I do not remember offhand.

Mr. PRATT: There is not much fraternization between the two?

Mr. OUIMET: I think, as I said before, there is very close cooperation.

Mr. PRATT: You do not often visit their premises.

Mr. OUIMET: I may tell you that at the beginning of television there was some question in the minds of both film board and C.B.C. people as to how this new development, called television, would be assigned, whether it would be to the film board or the C.B.C. At that time the matter caused certain fairly heated discussions, but they were disposed of early in the history of television and since that time we have been cooperating very closely with them. While I have not had time to visit their studios recently, I would say the cooperation between the two organizations is excellent.

Mr. CHOWN: So you think the national film board is really necessary? What I am getting at is that your services, especially since you got into television, could not completely absorb what they are doing? What I am driving at is that it seemed to me that the function of the national film board, which came into being as a result of the second world war, might of itself be coming to an end?

Mr. OUIMET: I do not think so. The film board is doing a tremendous amount of work generally, and it also does a tremendous amount of work for television. I think we are benefiting from their experience, and I may say they are making excellent films which we are proud to show on our networks.

Mr. PRATT: I wonder could we be given approximate figures of the proportion of N.F.B. films shown over your network, not necessarily today, but I would be interested in that information.

Mr. OUIMET: Well, for example, our present series of "Explorations" on Canadian history was made by the film board. We have had a series of 26 at least, and at times two series, one in English and one in French.

Mr. CHOWN: I think I asked for those figures.



Mr. OUIMET: I have figures for the current season, 1960-61. We have had one very short series called "Candid Eye", with one one-hour episode and two half-hour episodes. We have three two-hour episodes of a series called "Comparisons". We have had twelve half-hour episodes of "World in Action", and I have already mentioned the "Explorations" series, which is a one-hour episode and eleven half-hour episodes. We have had "Temps Present" in the French network, with eleven half-hours, three half-hours of "Comparaisons", one hour of "Premier Plan" and six half-hours of "Reportage", six half-hours on history and one half-hour on "Les Travaux et les Jours".

Mr. PRATT: What percentage would that represent of the national film board's output?

Mr. OUIMET: I cannot tell you that. I think you would have to ask the film board. I have no information as to their total production, unless we looked at their annual report.

Mr. SMITH (*Simcoe North*): I think most of the films you get from the film board are of an educational variety, and are instructive in some way. Do you buy, from other Canadian sources, films in the same general category as what you get from the film board?

Mr. OUIMET: Yes, we do. We try to assign our production in a well dispersed manner among all the companies in Canada. As a matter of fact, you might be interested to know that in a general way about 75 per cent of our film work is assigned either to the film board or the private companies.

Mr. SMITH (*Simcoe North*): To such companies as Crawley films?

Mr. OUIMET: Yes. We cooperated with Crawley in the production of R.C.M.P. Radisson is another, and there are many others.

Mr. SMITH (*Simcoe North*): How many films in this general category which, for want of a better word I shall describe as educational, does the C.B.C. make itself in competition with the national film board?

Mr. OUIMET: I do not think we consider we are in competition with the film board.

Mr. SMITH (*Simcoe North*): I use "competition" in a rather vague sense.

Mr. OUIMET: We do only those things that we have to do, things that are required from us because of their special nature. They include about 20 per cent of the total films.

Mr. SMITH (*Simcoe North*): Rather than having used the word "competition", I should have asked how many films in this category do you make that could be made equally as well by the film board?

Mr. OUIMET: That is difficult to answer, Mr. Smith, because it would be a subjective judgment whether we could do it better or whether they could do it better.

Mr. SMITH (*Simcoe North*): What I am suggesting is that there is an area of duplication, where your people within the C.B.C. are doing the same type of work that, generally speaking, the film board does.

Mr. OUIMET: I do not think so.

Mr. SMITH (*Simcoe North*): If there is such an area, is it large?

Mr. OUIMET: We have a need in the C.B.C. to have some cameramen and film equipment in order to shoot films for inserts in our live programs. We must have some crews in any case to take care of needs which no one else can take care of, and which cannot be farmed out. Having these crews, we simply keep them busy by giving them other assignments.

Mr. PRATT: You do not need two presidents for that. I believe it could be consolidated and a great deal of public money saved by bringing them together.



Mr. OUIMET: I cannot say if this is a problem, but I think it is a matter of policy. I would say off-hand there would be very little advantage, and I think a great deal of disadvantage.

Mr. PRATT: To one of the presidents it would be a great disadvantage.

Mr. OUIMET: The C.B.C. is a complex enough business at the moment without adding to it the problems of the film board.

Mr. SMITH (*Simcoe North*): Then you are not volunteering to take over the film board?

Mr. OUIMET: We never thought that would be desirable.

The VICE-CHAIRMAN (*Mr. Regnier*): I think members will have to speak according to the order in which they are called. Some members have not had a chance to put a word across. I think Mr. Fortin had a supplementary question to that of Mr. Pratt.

Mr. FORTIN: I should like to return to the suggestion made by Mr. Pratt a few minutes ago, suggesting more or less that Montreal become the centre of production for both networks, English and French. I wish to say I do not agree with Mr. Pratt on that, because I believe it would be unfair to the English speaking artists to force them to do their work in Montreal.

Mr. PRATT: They would love it.

Mr. FORTIN: I am not sure of that. It appears to me Toronto is the reasonable centre for English culture in Canada, and the suggestion made by Mr. Pratt appears to me to call for something like a melting pot. I do not think it is really possible to try and mix two different cultures with the aim of building a Canadian culture.

Mr. PRATT: It was done in 1066.

Mr. FORTIN: Will you let me speak, Mr. Pratt? In my opinion, there is no such thing as a Canadian culture and I believe both networks, English and French, should be maintained as they are.

Mr. Pratt also mentioned that there are in Montreal at least a million people speaking English, and that includes naturally the French speaking population who are bilingual. I do not think this is a matter of language. Rather it is a matter of culture and mentality, and I believe if the C.B.C. endeavours to mix those two cultures it will do harm to the English culture and to the French culture by attempting to put the two of them in the same basket. I believe we should endeavour to maintain the two cultures instead of trying to mix them. In trying to mix them we shall destroy or weaken both of them.

Mr. PRATT: I have only one comment to make on that. While there may be subdivisions of art, there is only one art.

Mr. McGRATH: Hear, hear.

Mr. HORNER (*Acadia*): May I raise a question on a different subject? I notice according to the list detailing employees earning \$10,000 a year or more, there are 52 regular employees of the C.B.C. in Ottawa receiving \$10,000 or more per annum.

Mr. FISHER: In Ottawa?

Mr. HORNER (*Acadia*): Yes.

Mr. BALDWIN: Is that due to high cost of living in Ottawa?

Mr. HORNER (*Acadia*): Looking at the distribution of the staff, I cannot see why this should be so, why one third of the regular employees receiving \$10,000 or more a year are located in Ottawa.

Mr. OUIMET: This has nothing to do with the production centre in Ottawa. This simply reflects the fact that all the senior management of the corporation is located in Ottawa. In other words, all the top of the corporation is in Ottawa.

Mr. HORNER (*Acadia*): Am I wrong or right in assuming that the top officials are not included in this staff distribution?

Mr. OUMET: They are.

Mr. HORNER (*Acadia*): Under executives of television there are a total of 12 in Montreal, a total of 18 in Toronto, and 6 in Ottawa. In programming there are 335 in Montreal, 31 in Ottawa, 222 in Toronto, and all the way down the list the numbers employed in the other two centres are much larger than in Ottawa. The same applies to radio and integrated service.

Mr. CHOWN: There are 201 stars receiving over \$10,000 a year, I notice.

Mr. OUMET: There are 146 regular employees and 61 contract employees receiving \$10,000 or over, but I would like to repeat, Mr. Horner, that the important thing is not to compare Montreal and Toronto, the production centres, with the Ottawa production centre. The figures for Ottawa include all the senior management and department heads of the corporation. That is why there is a concentration.

Mr. HORNER (*Acadia*): This is what I am assuming it has, but I do not see where the senior managerial staff is included in this staff production that appears in an appendix to the meeting of May 4.

Mr. OUMET: There are two pages, I believe. If you look at the first page you will see the first heading for the first column "head office, Ottawa", and these are the people we are speaking of now, while on the second page, which is called "television", Ottawa there refers to the production centre of Ottawa.

Mr. HORNER (*Acadia*): Looking at these two pages, would you agree, Mr. Oumet, with the statement that a lot of this integrated service personnel would apply to T.V.?

Mr. OUMET: Yes.

Mr. HORNER (*Acadia*): So that actually breaking it down in this way between radio and integrated services and television does not really split the two categories too well. Actually, there are a lot more employed in television than shown here in appendix B.

Mr. OUMET: Yes, there has been no attempt to do anything else than is indicated by those titles. The first one is radio and integrated services, and integrated services means those services which serve both radio and T.V. Generally speaking, the time given by such integrated services to television is much greater than to radio because it is a more complex operation. I believe we gave you an estimate of the staff that could be charged to television alone when we gave you a comparison with the B.B.C. staff. I do not remember exactly what it was, but it was probably in the order of 5,400.

Mr. CHOWN: It is in the evidence in any case.

Mr. BALDWIN: I would like to come back to this question of the film board, Mr. Oumet. I am very interested in the statement you made in which you outlined certain specific programs that you had taken from the film board, you gave a list of the hours. I suppose it would be quite fair to say that the amount you paid to the film board, represented in X dollars, would be less than what it would have cost the C.B.C. if it had produced those programs in their entirety?

Mr. OUMET: That is correct.

Mr. BALDWIN: Accepting your view that you must maintain certain technical staff so far as cameramen are concerned and that there is a fundamental distinction between your function and that of the national film board, nevertheless could there not be a closer liaison without there being integration, so that there might be greater opportunity for you to make use of the facilities and of some of the films of the national film board while at the same time maintaining your separate identities?



Mr. OUMET: I do not think there has been any problem whatsoever—and I would like to stress this again—in trying to keep separate identities. It is simply that we need certain kinds of programs which the film board can make and which they have made. We have also taken other films from their regular libraries. I am speaking now of special films for T.V. There is a standing committee which watches relations between the two organizations, and I think they are excellent. That is why I said earlier that in the early days of T.V. we had a little difficulty in determining just how we would work this out. But more recently it has been going very well.

Mr. BALDWIN: I meant something more in the way of liaison, that is in your long range program. Would it not be possible, if you had this close liaison with the national film board, for you to arrange in advance for the production by the film board of certain types of programs which they might be better equipped than you are to produce?

Mr. OUMET: The committee does just that, Mr. Baldwin. There is a lot of coordinating work going on by the committee in order to be able to integrate our own production with the film board production of films, for example for the "Explorations" series. This we did not do at the beginning, and now the film board is a contributor to a number of series which we used to do entirely before. I would like to repeat again, the relations are better than ever with the film board in terms of working coordination.

Mr. BALDWIN: It is as close as you can get, I suppose.

The VICE-CHAIRMAN: I would like to stop proceedings for one moment to welcome 24 foreign correspondents from all over the world. Mr. Smith (Calgary South), who is a member of the committee has brought them in to watch our proceedings.

Hon. MEMBERS: Hear, hear!

Mr. SMITH (*Calgary South*): Thank you, Mr. Chairman.

Mr. BALDWIN: One more question to cap this; would I be correct in assuming that some of these programs which you have listed to us came about as a result of this liaison?

Mr. OUMET: Most definitely.

Mr. CHOWN: Mr. Chairman, I was going to ask, while we are on the subject of films—and Mr. Ouimet might explain—how these films are purchased, not from the film board but from private agencies.

Mr. OUMET: May I ask Mr. Gilmore, who is our vice-president of engineering and operations, to answer this question?

Mr. J. P. GILMORE (*Vice-President, Engineering and Operations, Canadian Broadcasting Corporation*): Mr. Chairman, the method of purchasing a film production as distinct from a rental is that of agreement on what is called the story board or outline of the story to be produced, and then the assignment of that work out to a number of people, and a competitive bid is brought in on a broad basis and assigned accordingly. In the case of rental of existing series, these series are submitted in what is known as a pilot print, in other words, one sample of the series. This is screened by committees on the programming side and selection made for coming schedules on that basis. For example, for next year the screening has been going on this spring.

Mr. CHOWN: When you are renting films, do you rent them on a package basis or an individual basis?

Mr. GILMORE: I should have perhaps extended my answer, Mr. Chairman, to include feature films which possibly Mr. Chown has referred to now. These come in all descriptions and types. They come in the form of a package in the case of a given company which releases it. Let us take as an example post-



1948 production for television. A company may make a package of, let us say, 52 titles, and those are priced in relation to distribution, and a negotiation is entered into. The culmination of the negotiations is a recommendation for a contract which comes right up the line, is scrutinized by officials here and accordingly authorization can proceed based on the need, the quality, and the price.

Mr. CHOWN: Could we have some figures on the inventory of our purchased films that you have in storage now, and could you also produce to the committee the percentage of these package contracts that are actually shown? It occurred to me that if you are leasing 52—

Mr. OUMET: We can give you this information right now.

Mr. GILMORE: The film inventory at the end of March 31, and I will give you approximate figures, is about \$1,700,000. I think the comptroller will substantiate that as an approximation. In terms of the percentage of films that one is able to use, this is not a simple answer, Mr. Chairman. When you buy a package, you are in the negotiating field and you buy at an average price. From your experience and by looking at the price and title, you might know that the lower 5 per cent of those titles will not be acceptable. That is possible. On the other hand, the over-all price makes it a very attractive buy, and even amortizing the price over the upper 95 per cent makes it a very good cost per hour. It is that kind of negotiation that is carried out.

Mr. McGRATH: Is this regular in the industry?

Mr. GILMORE: Yes, sir, and we keep a very close liaison with American networks who are the only other buyers on this scale.

Mr. CHOWN: Would you produce an inventory in dollars as it has been over the last five years, and would you also give to the committee the total number of films you have on lease or rental or on purchase? This is something I asked for earlier which you could not at that time produce, but it should not be too difficult to do.

I was then going to suggest, Mr. Chairman, that the only way we as members of this committee can possibly estimate the public reaction or approval to cost, would be to take a sample show and produce to the committee the total cost of that show from stem to stern. By that I mean we should find out on a network show what the total costs are for its production from the time the show is conceived until the time it is put on the air. By reason of the fact that names are involved, I thought a good typical show would be the Don Messer show which is a group production. I am going to move, seconded by Mr. Horner, that the detailed costs—

The VICE-CHAIRMAN: I think we are on finances now, not on personnel.

Mr. CHOWN: This is to do with finances.

Mr. FISHER: How?

Mr. CHOWN: We want to see what is consumed in the production portion of the financial statement here by one typical Canadian production.

Mr. McGRATH: Before you proceed to that, I thought there was a line of questioning being followed on film.

Mr. CHOWN: I am only making a motion that can be voted on, voted down, or voted out if you wish. I do not ask for names even, Mr. Chairman. I suggest it can be done by classification. I would like to know what the clarinetists, the trumpeters, and so on, are paid. Names do not need to be given.

The VICE-CHAIRMAN: This afternoon we are going to consider personnel, so it would be better to deal with that item at the afternoon meeting.

Mr. McCLEAVE: Mr. Chairman, I think we should hear the views of Mr. Ouimet as to whether they wish to make this matter available freely or otherwise.

Mr. OUIMET: In the first place, may I dispose of one aspect of Mr. Chown's earlier question with respect to the film inventory? We cannot provide you with the figures going back to five years, at least not on the basis on which inventories are being kept at the moment. I understand we can go back three years. At the same time we will supply you with the figures for the total consumption of films because the inventory obviously is related to the consumption.

Mr. McGRATH: Would you, at the same time, give us the figures as to what percentage of the films you buy or lease are actually used.

Mr. GILMORE: I can give you that right now, a very good approximation. There is approximately one and a half per cent in dollar volume of films that we cannot use.

Mr. McGRATH: That you cannot or do not use.

Mr. GILMORE: There are maybe technical faults or quality faults in production, and this you sacrifice in bargaining for a package. It might be a content restriction that our judgment and good taste would eliminate.

Mr. OUIMET: The word "cannot" I think offers a problem of semantics. You could always show them but it would be poor programming or poor quality of transmission. This is a standard practice in the industry. When you buy a package, there are some excellent ones, some which are not as good, and there are a few bad ones. You have to bargain for the whole package. I think the answer to your question is that we deliberately do not use this one and a half per cent.

Mr. McGRATH: In your previous answer, I am not quite clear on this point dealing with this question you indicated as to how far ahead are your film inventories.

Mr. GILMORE: We try to keep about one year's supply ahead on both networks, and that is pretty difficult to do, sir.

Mr. OUIMET: By the way, this is not supply on the shelf. We have to be careful here. These are films which are contracted for for later showing. We have not got one year on the shelf right there.

Mr. GILMORE: These are film rights tied up for a year in advance of our showing.

Mr. McCLEAVE: A couple of weeks in advance—is that the way it works?

Mr. GILMORE: On demand.

Mr. McGRATH: How are these films contracted for? I do not mean that question in the broad sense. I mean, for example, whom do you buy the films through; do you buy through a Canadian agency?

Mr. GILMORE: Invariably we use a Canadian distributor. Canadian distributors have been set up to service the industry in Canada, and invariably we use them.

Mr. McGRATH: In Montreal and Toronto?

Mr. GILMORE: Yes, these are the main locations.

Mr. McGRATH: The reason I asked the question is that there are only three or four large producers of films in the United States. You can correct me if I am wrong on that.

Mr. GILMORE: There are a number who hold rights to films that have been produced. There may be a dozen or two dozen who hold certain rights which have been bought for the purpose of television usage.

Mr. PRATT: The most ancient films.

Mr. McGRATH: How is the corporation in a position to bargain for films? I think you are in an enviable position in the business because you are the only user of any extent of films in Canada on a large scale.

Mr. GILMORE: Mr. Chairman, that used to be the case, but now with a number of private stations buying in the field, we find that we have to work pretty hard on the negotiation to get the price down to where we think it should be because they can sell in individual markets.

Mr. CHOWN: Can you not buy direct from the United States?

Mr. GILMORE: No more than you can buy a Chevrolet directly from the United States.

Mr. CHOWN: Can you give us the names of the agents you purchase from?

Mr. McGRATH: In Montreal and Toronto?

Mr. CHOWN: All across the country?

Mr. GILMORE: That can be prepared.

Mr. FISHER: Mr. Chairman, I find Mr. Pratt's idea very interesting, the one concerning two nations cohabiting in one building.

I have some questions on finance that I want to raise—the point as to what we are doing today on the subject of finance. It seems to me that a number of times in this committee when I brought up the question of revenues and formulae I was shunted off that topic because it had nothing to do with finances. By Jove, what we have been having today is certainly not related to finance. I would like to know when the members of this committee are going to be prepared to move on from this particular topic on which we have been for the last couple of meetings?

Mr. PRATT: Supplementary to that, Mr. Chairman, I think that consolidation of facilities of the C.B.C. very definitely ties in with finance.

Mr. FISHER: In the sense that everything ties in with finances. I felt that today we are going to get on the stage ourselves, we will be talking about M.P.'s salaries, when you got to the \$10,000 a year. I would like to know what we are doing.

Mr. McGRATH: That comes under talent.

The VICE-CHAIRMAN: We are here on page 2, and there are about six pages. We will never finish at this rate if we sit for the next two years.

Mr. HORNER (*Acadia*): Put your question, Mr. Fisher, and let us get along.

Mr. FISHER: I would like to know if it is worth while at this time if members of the committee expressed their opinions as to how much longer they have to go on what they think the topic of finances covers.

Mr. HORNER (*Acadia*): If you are putting this question generally to the committee, I asked, quite some time ago, for figures regarding commercial revenue, how much was taken in locally through network programs and so on. These figures have not been produced yet, and until they are produced I cannot say I am done with finance.

Mr. FISHER: Could we move on to international service and extension of service and leave that item open so that we can come back when Mr. Horner's information is there?

Mr. HORNER (*Acadia*): I am just one member of the committee.

Mr. FISHER: I might ask for information on the cost of the French and English networks, and I am prepared to move on.



Mr. HORNER (*Acadia*): But I am not prepared to move on. I have yet another question for today.

Mr. McGRATH: It is very difficult because item 4, which we are supposed to be on, deals, for example it covers operating revenues and expenditures, capital expenditures, financial statements, annual reports, budgets, expenditure controls, C.B.C. program and operating costs, and so on. I submit sir, in deference to Mr. Fisher, that the discussion is very relative to the item.

Mr. CHOWN: Anyway, that is in the hands of the Chair and the Chair can rule us out of order any time he wants.

The VICE-CHAIRMAN (*Mr. Regnier*): I have not ruled any one out of order yet.

Mr. FISHER: I should like to ask Mr. Ouimet if he had any discussion with the C.B.C., or members of the government, in relation to whether the aggressive commercial policy which the C.B.C. has pursued in the last few years has raised the issue as to whether it is undermining the position of the commercially interested owners of private stations?

Mr. OUMET: You have said the C.B.C. and members of the government. Do you mean the B.B.G.?

Mr. FISHER: Yes—the B.B.G. and members of the government, quite distinctly.

Mr. OUMET: No, I have not had any discussions with the B.B.G. or members of the government on this.

Mr. FISHER: This has not been an issue with you. Have you had any discussion with members of the government—I am thinking of the executive—on the question of how you get your finances?

Mr. OUMET: Not so much as I would have liked.

Mr. FISHER: Have you put forward to the government any suggestions regarding a new or altered means of getting the finances you require?

Mr. OUMET: No, we have made no recommendation to the government.

Mr. FISHER: Have you had any discussions with officials of the treasury board, as distinct from executive members of the treasury board, on this subject?

Mr. OUMET: Yes. Several times the matter came up during routine discussion of our estimates and our financial matters.

Mr. FISHER: What was the gist of those discussions? Can you reveal that?

Mr. OUMET: So far as the position of the treasury board officials is concerned, I believe they should be consulted directly. So far as the C.B.C. is concerned I believe I indicated at one of the very early meetings, when we were discussing the act, our position with regard to possible changes in the act. I think I indicated that prior to the change in the Broadcasting Act, that is, in November 1958, the corporation had on several occasions indicated its position very clearly as to the method of financing it would prefer. We indicated that we thought, for a corporation of the type we are, we should have a long term basis of financing rather than be on a yearly vote basis. I also indicated that since the act was changed we had been busy trying to work our operations under the new method, and that the board of the corporation had not given any considerable attention to the problem yet.

Mr. FISHER: Have the officials of the treasury board presented you with any criticisms or suggestions in regard to your control of finances?

Mr. OUMET: No, not so far as I can remember.

Mr. FISHER: Has the auditor general had any discussion with you in the last six or eight months in relation to the control of your finances, or in relation to the information you provide in your annual report?

Mr. OUIMET: The auditor general's staff, of course, is in constant touch with our financial people on a routine basis. The only official communication we had from the auditor general was, I believe, in connection with the annual report for last year. I believe it was in May, 1960.

Mr. FISHER: So, in sum, you have not had criticisms of a major nature, or suggestions of a major nature from either the B.B.G., the officials of the treasury board, or the executive members of the government?

Mr. OUIMET: I would say that is correct.

Mr. FISHER: In relation to finances?

Mr. OUIMET: I would say that is correct.

Mr. FISHER: Is there any way in which you interpret the Broadcasting Act that would give the B.B.G. an interest or any regulatory function in relation to your finances?

Mr. OUIMET: No. I think it is just the opposite, that they have no responsibility whatsoever in terms of the finances of the corporation, and in all our relations with the B.B.G. I believe the B.B.G. has been careful in not taking decisions which would affect our finances.

Mr. FISHER: Is it correct to assume that responsibility for such criticisms and such suggestions, in the main, has lain on a continuing basis with the executive and officials of the treasury board?

Mr. OUIMET: It has lain, first of all, with the board of directors of the corporation. The officials of the treasury board have no responsibility or authority with respect to C.B.C. finances. I think all they can do is examine our submissions, as required by the act, and they make their recommendations to the treasury board itself, but they have no authority as such over the corporation.

Mr. FISHER: Have members other than your board of directors been at meetings last year with the treasury board itself?

Mr. OUIMET: No. There have been no other members of the board, except the vice-president and myself.

Mr. FISHER: I have one final question. One can assume there has been no substantial criticism of the financial arrangements and pattern of the C.B.C. in the last year, in so far as its relationship with the treasury board is concerned.

Mr. OUIMET: Yes, I can assure you on that, but there is one point I should like to bring up which is, when we submitted our estimates we were cut, but I do not think that was necessarily a criticism. I think it was a budgetary—

Mr. SMITH (*Simcoe North*): Change of life?

Mr. OUIMET: —a budgetary necessity.

Mr. FISHER: Then you were cut not from the point of view of criticism of what you were suggesting, but because there had to be a limit placed on the financial pattern for that year?

Mr. OUIMET: That is correct.

Mr. SMITH (*Simcoe North*): I have one supplementary question to that of Mr. Fisher. Has the C.B.C. undertaken any study into any other manner of financing the corporation rather than by annual grant? I am thinking about the adoption of formula payments. Has any study or work been done in that direction?

Mr. OUIMET: Yes, we have done so several times. That was discussed of course at the time of the Fowler commission, and the Fowler commission recommended three formulas which had been discussed with us prior to their recommendation. More recently we have done some preliminary work on a formula which we believe would take care of our needs for a period of, say, five years.

Mr. FISHER: May I place one question to conclude the point I am trying to establish? At the present time is your financial arrangement with the government an issue? Is it something that you want to bring before this committee?

Mr. OUIMET: It is not an issue with the government. It is a matter for the management of the corporation, but we have been so busy that we have not really had time to discuss it first with the full board of the corporation.

Mr. FISHER: You have nothing to bring forward during the hearings of this committee in the way of suggestions regarding your finances?

Mr. OUIMET: If the committee would like to have a recommendation I am sure we could work on it quite rapidly.

Mr. FISHER: I raise this, Mr. Chairman, because I feel this matter gives a focal point for any discussions on both finance and commercial revenue. I do not know what other members of the committee feel about it.

The VICE-CHAIRMAN (*Mr. Regnier*): We have only a few moments left, and I have been handed a notice of motion from Mr. Chown and Mr. Horner which reads as follows:

I move, seconded by Mr. Horner (Acadia) that the detailed costs of the Don Messer show be produced to the committee, including salaries and wages paid to all personnel employed.

Mr. OUIMET: So far as producing figures related to payments to personnel on the Don Messer show is concerned, I would imagine the ruling of the committee with respect to divulging fees would operate. If you are asking for total costs, divided up as between staging, filming and all that, we can provide you with that information.

Mr. CHOWN: Let us start with that, and go on from there.

Mr. OUIMET: I should say that I am now in a position to answer another question put by Mr. Chown. I believe he asked what our film inventory was, as of today. I have the figures for 1958-59, 1959-60 and 1960-61.

In 1958-59 it was \$1,541,000; in 1959-60 it was \$2,705,000 and the estimate for the year 1960-61 is \$1,840,000.

I can also give you our consumption of film for those three years. In 1958-59 it was \$6,938,000; in 1959-60 it was \$7,313,000, and the estimates for 1960-61 is \$8 million.

Mr. McCLEAVE: I think we are still up a hill as to the question of whether the C.B.C. should be asked to tender its views on finances.

Mr. FISHER: I am prepared to move a motion.

Mr. McGRATH: You already have a motion before the committee.

Mr. McCLEAVE: I think it is a reasonable suggestion that we should have its views. Perhaps the motion is not necessary.

Mr. FISHER: All I would like is a statement of the C.B.C.'s views on the present financial arrangements.

Mr. OUIMET: We shall be pleased to give you our views, perhaps at the next meeting I attend.

Mr. FORTIN: Has that motion been adopted?

The VICE-CHAIRMAN (*Mr. Regnier*): It is a notice of motion.

Mr. CHOWN: Actually Mr. Ouimet is going to start by producing a detailed breakdown of the costs.

Mr. FORTIN: I have about 30 seconds left and I should like to move an amendment to the motion.

Mr. McGRATH: It has been withdrawn.

Mr. CHOWN: I should like to hear your amendment.



Mr. McGRATH: That would be out of order.

Mr. FORTIN: I was just going to say that if we are going to get a breakdown of the Don Messer show, then I want to add another one to it.

The VICE-CHAIRMAN (*Mr. Regnier*): The motion has not been put. It is taken as notice.

Mr. McCLEAVE: Let us have the name of the other show and perhaps Mr. Ouimet can oblige you. What is the name of the show?

Mr. FORTIN: As a point of comparison I should like to have the breakdown of the show entitled "Le Petit Cafe".

Mr. OUMET: We shall provide that.

The VICE-CHAIRMAN (*Mr. Regnier*): We shall now take recess until 3 o'clock this afternoon.

#### AFTERNOON SITTING

THURSDAY, May 25, 1961

The VICE-CHAIRMAN (*Mr. Regnier*): Gentlemen, I believe we have a quorum now. I think we have ten members present, if the chairman can count.

Captain Briggs has a correction which he wishes to make at this time.

Captain W. E. S. BRIGGS (*Vice-President, Canadian Broadcasting Corporation*): Yes, Mr. Chairman, I have. There is one small correction which should be made. It is in connection with appendix B, at page 595.

I notice that under radio stations, the call letters given for Sydney are CBT, and that should read CBI.

Mr. Chown had asked for job classifications within the bargaining units. They will be coming up a little later on this afternoon, and they will be available for distribution.

The VICE-CHAIRMAN (*Mr. Regnier*): Gentlemen, the subjects we are dealing with this afternoon concern personnel, industrialization, international services, and something else, if we have the time available.

Mr. McCLEAVE: Mr. Chairman, how long are we supposed to sit?

The VICE-CHAIRMAN (*Mr. Regnier*): Two hours is the suggested time.

Mr. HORNER (*Acadia*): Mr. Chairman, some time ago I asked a question in regard to the personnel employed in London. I was given the answer of six. Then, I asked how large the personnel staff was in New York, and I do not think I have had an answer to that part of my question as yet.

Captain BRIGGS: I am informed, Mr. Horner, that it was read into the record, and is now a matter of record. I believe, Mr. Chairman—although I am not quite sure in connection with the London staff—that there are six Canadians there. However, there are eight others who are employed over there, in clerical positions.

Mr. HORNER (*Acadia*): You do not know about New York?

Mr. M. CARTER (*Vice-President, Administration, Canadian Broadcasting Corporation*): There are three positions, all told, in New York.

Mr. HORNER (*Acadia*): And are they filled by Canadians?

Mr. CARTER: Yes.

Mr. HORNER: Would that include James M. Minifie?

Captain BRIGGS: He is in Washington.

Mr. CARTER: James M. Minifie is in Washington. However, in New York, it includes Mr. Stanley Burke.

Mr. HORNER (*Acadia*): Are James M. Minifie and Mr. Burke Canadians?

Mr. CARTER: Mr. Burke is a Canadian, and in so far as Mr. Minifie is concerned, I could not say, offhand. I am just informed that he is a naturalized American.

Mr. HORNER (*Acadia*): But you have a staff of Canadians in Washington?

Mr. CARTER: We have no others employed in Washington.

Mr. HORNER (*Acadia*): No others?

Mr. CARTER: No, except a secretary.

Mr. HORNER (*Acadia*): And that is all?

Mr. CARTER: Yes.

Mr. HORNER (*Acadia*): Do you not feel, perhaps, that a Canadian could do that job? Is Mr. Minifie a full-time employee?

Captain BRIGGS: Mr. Minifie is under contract to us. We have first call on him, and if he is going to do any other work than for us, this has to be cleared through us.

Mr. HORNER (*Acadia*): In other words, he is, in a sense, a full-time employee?

Captain BRIGGS: Yes. As I say, if he wishes to do anything else, he has to clear it first, through us.

Mr. CARTER: You say he has to clear it through you?

Captain BRIGGS: Yes.

Mr. HORNER (*Acadia*): Perhaps you would care to comment as to whether or not you are in search of a Canadian to take his place? In view of the fact that the C.B.C. is continually extending its efforts to promote and develop Canadian talent, are you looking for a Canadian to take over that particular position?

Captain BRIGGS: I do not think there are any immediate plans for that, no.

Mr. HORNER (*Acadia*): As I am proceeding along these lines, I might as well finish. Could you give the committee some idea as to what the contract rate is? I am not concerned with exact figures, but this morning you said that 61 persons are employed under contract, receiving over \$10,000 a year. Would he fall within that category?

Captain BRIGGS: I would have to check on that. He probably would be very close to that amount, if he was not at that amount. I would have to check.

Mr. HORNER (*Acadia*): Why would you employ six Canadians reporting in London, three in New York, and one American in Washington?

Captain BRIGGS: It concerns the distribution of the work load.

Mr. HORNER (*Acadia*): But you have no plans to shift one of your Canadians from London to Washington so that you could promote and further develop Canadian talent?

Captain BRIGGS: As I said before, to the best of my knowledge, there are no immediate plans.

Mr. SMITH (*Calgary South*): Mr. Chairman, I have a supplementary question. Have you not, on occasion, used stringers, or other people, to assist in New York?

Captain BRIGGS: Yes.

Mr. SMITH (*Calgary South*): I think those of us who have had occasion to see the staff in New York believe that they are very efficient, in spite of the odd slip which they might make from time to time.

Mr. McGRATH: Parliamentarians sometimes suffer from this, as well.

Mr. SMITH (*Calgary South*): Yes, including some members from Newfoundland.

Has it ever been considered necessary to increase your staff rather than employ stringers, as I think you have been?

Mr. CARTER: Yes, we use stringers, but not frequently.

Captain BRIGGS: I think your problem there is that you try and staff in order to meet what might be termed a normal load.

Mr. SMITH (*Calgary South*): As I recall it, you have a supervisor—you have Stanley Burke, who does commentary work, and then a woman who, I gather, coordinates it all, and is this not the staff?

Captain BRIGGS: Yes.

As I say, we are staffed to try and meet the normal load. However, as time goes on, you might find you have to increase that staff and, in this business—particularly when dealing with matters connected with the United Nations—there are upsurges, and so on. Not so many months ago you will recall that there was a terrific flurry down there, and our people were working night and day.

Mr. SMITH (*Calgary South*): But, to meet the normal load factor, which I assume is an ever-continuing problem, you believe you are completely adequately staffed, without using additional staff?

Captain BRIGGS: I would not put it quite that way. There may be occasions when it is found advantageous to use a stringer, particularly because of their specific knowledge of a specific question with which you are going to deal. This always will be the case.

Mr. SMITH (*Calgary South*): Is your New York staff limited to those who occupy premises in the United Nations building?

Captain BRIGGS: At the moment, yes.

Mr. HORNER (*Acadia*): Mr. Chairman, I have a further question along the same lines. Would the vice-president tell us whether or not Philip Dean is one of the full-time employees at New York?

Captain BRIGGS: No, sir.

Mr. HORNER (*Acadia*): Is Philip Dean a Canadian?

Captain BRIGGS: I have not the faintest idea, sir, to tell you the truth. He is not an employee of the C.B.C. I am just informed that he is a British subject.

Mr. HORNER (*Acadia*): Then he is not a Canadian?

Captain BRIGGS: I do not know whether or not he is a Canadian.

Mr. HORNER (*Acadia*): Is he under contract, as well, or on full-time pay?

Captain BRIGGS: I would have to check that, sir.

Mr. HORNER (*Acadia*): While you are checking on that, I wonder if you would care to comment, if he is on a contract basis, as to whether or not he is above the \$10,000 rate.

Captain BRIGGS: He is not under contract. He is on a free-lance basis.

Mr. HORNER (*Acadia*): You say on a free-lance basis?

Captain BRIGGS: Yes.

Mr. HORNER (*Acadia*): This prompts me to ask a question I asked somewhat earlier. Are you preparing a list of the number of times people are re-hired on a free-lance basis, such as this particular one I have mentioned, Philip Dean? It is possible that he might be re-hired on a free-lance basis, possibly ten times a year, or something like this, and I would like to have some idea from you, in this regard.



Captain BRIGGS: This, I think, Mr. Chairman if I remember correctly was asked for before. It would fall in that category, and it is in the process of being prepared.

Mr. FISHER: There is a tremendous number of people who have worked for the C.B.C. and have gone to further broadcasting and related activity in the United States and Great Britain. Just for information purposes, have you any kind of roster or record of the people who have moved? I am thinking of people like Jewison, Joyce Davidson, Peppiat, and Aylesworth, people like that; people who have moved out and are now in broadcasting in other countries, but who got their start and were at one time salaried or contract performers of the C.B.C.

Captain BRIGGS: I think we could probably compile a list of the principal ones, the ones that we know of, and give you a numerical figure.

Mr. FISHER: Would it be a difficult thing to do? I am asking this just as a matter of interest, to show what opportunity for jobs the C.B.C. is creating beyond our own framework in Canada.

Captain BRIGGS: It would be quite a job to go right back to the beginning. I think the best we could do would be to give an indication as to the number, those that are known. There would be a number of lesser ones that we would not know about now.

Mr. FISHER: I think as a personnel matter it might be of interest as an indication that the C.B.C. is a talent developer, and that Canada and the C.B.C. has not been able to hold these people.

Captain BRIGGS: I think it should be thoroughly understood that if somebody elects to leave Canada and go to work in the United States or Great Britain or wherever it may be, it does not mean that he will stay there forever. Some would stay for a few years, and then return to Canada.

Mr. FISHER: Did Aylesworth take away with him his rights to Front Page Challenge? Or does the C.B.C. have a permanent hold on it?

Captain BRIGGS: I do not think that Aylesworth had any rights to Front Page Challenge.

Mr. FISHER: What is the situation then?

Mr. MARCEL OUMET (*General Manager of Network Broadcasting, French*): There is no copyright in Canada to the idea of a program.

Mr. FISHER: You say there is no copyright in the program. He is no longer receiving any pay for it?

Mr. MARCEL OUMET: This I would not be in a position to answer. It would have to be checked.

Mr. KEAYS: On March 14th I requested some information concerning electrical engineers, mechanical engineers, and architects. May I have the details of the duties of the electrical engineers and the mechanical engineers?

Captain BRIGGS: You would like a list of their duties, sir?

Mr. KEAYS: Yes.

Captain BRIGGS: Yes, we could give it to you.  
Do you want them verbally now, or in a list later?

Mr. KEAYS: Are their duties directly concerned with operations, or are some of them employed in the capital projects of the corporation?

Captain BRIGGS: I would say that the majority are probably employed in capital projects. If they are electrical engineers, they go into many areas of the corporation; there is plant, and transmission development. Those are typical projects. If they are mechanical engineers, they would be dealing for example, with such things as air conditioning in capital projects, and with heating.

Mr. KEAYS: I note in the information which you gave me, that in 1959, as at the end of March, you had 46 electrical engineers, three mechanical engineers, and six architects on your staff. In 1960 you had 55 electrical engineers, three mechanical engineers, and six architects. And in 1961 you had 57 electrical engineers, five mechanical engineers and 21 architects. May I have the reason for such a sudden increase in the number or architects?

Captain BRIGGS: It was in connection with the projects. Perhaps Mr. Carter could give you further details.

Mr. MARCEL CARTER (*Vice-President, Administration*): The corporation is preparing for consolidation in Montreal and Toronto and building a head office. Those are the main capital projects we are considering at the present time; I should say consolidation at Montreal and Toronto. Consequently in preparation for this, the staffs of engineers and architects have been increased.

Mr. KEAYS: Now, with respect to your consulting engineers employed in 1958-59, 60 and 1961; are they concerned with these capital projects also?

Mr. CARTER: Definitely; they would be specialists in the use of structural steel, concrete, and so on; and they would be brought in for consultation in this specialized area.

Mr. KEAYS: Do you feel it is cheaper to have that number of architects on the staff rather than to put this work out to an independent body of architects?

Mr. CARTER: This is a recommendation of our engineering staff, that it is better to have our own staff than to go outside and give the job on contract.

Mr. KEAYS: Do you foresee any possibility that after the structures are completed you are going to be faced with laying off these architects?

Mr. CARTER: That is a possibility, but before these plans are completed, it will take many years. In fact, the capital projects which have been filed with parliament indicate that they are something which will last for quite a few years.

Mr. KEAYS: How many years do you foresee?

Mr. CARTER: Our plans at the moment, are made five years in advance, and they do not foresee the completion of these projects.

Mr. HORNER (*Acadia*): Has any thought been given with regard to turning over the C.B.C. building program to the Department of Public Works which has become the builder for all other government departments except national defence? Has any thought been given to this?

Captain BRIGGS: I can only answer in this way: that I am quite sure that prior to my coming here, there was quite a lot of thought given to this; but the answer as given by Mr. Carter is that it is considered not only to be cheaper, but also faster to do it ourselves.

Mr. HORNER (*Acadia*): You said that even at the end of five years you did not foresee the finish of these particular projects which you have in mind.

Mr. CARTER: It is a question of money. First of all, you cannot do these things without money. If adequate money is made available, we would make progress proportionately.

Captain BRIGGS: Please remember, sir, that we are not a government department.

Mr. HORNER (*Acadia*): I fully realize that. I said "for all other government departments". Perhaps I might withdraw that, if I may.

Mr. CARTER: I might point out also that the construction of studios involves highly specialized work, and that our engineers and architects have trained themselves for that purpose.

Mr. HORNER (*Acadia*): You just hired these 15 architects. You had six, and you now have 21 this year.

Mr. CARTER: Yes, we have, but we had a nucleus at the start. We still had some who possessed the required knowledge.

Mr. HORNER (*Acadia*): It was training on the job.

Mr. FISHER: Would it be difficult for you to provide me with the ratios for five years of total personnel over operating expenditures, both as a fraction and as a percentage, so that we could see the developing relationship there, the sort of per capita relationship between personnel and operating expenses.

Mr. CARTER: May I ask what you mean by a fraction?

Mr. FISHER: I should like to have personnel divided into operating expenditures.

Mr. HORNER (*Acadia*): Mr. Chairman, I fail to see where they would have any connection. We cannot determine the ratio unless we take into consideration the 15,000 other employees who are on short-term contract with the C.B.C.

Mr. FISHER: I want to see the relationship between year to year of the number of people who work for the C.B.C. and the C.B.C.'s total operating budget to see if by increasing it in size how much more it is costing or how much less.

Mr. CARTER: As I understand the question, you want the total number of employees and our operating expenditures for a number of years. Is that correct?

Mr. FISHER: Yes. I should also like the operating expenses in relation to the people actually doing production work, producers, directors, the idea and creative people.

Mr. CARTER: In other words, costs of operating staff related to overall operating costs?

Mr. FISHER: Yes.

Mr. MACDONNELL: I should like to ask a question supplementary to Mr. Keays' question. I am always interested when I find there are separate kingdoms set up in a department and I was surprised originally, though perhaps I should not have been, to find how the C.B.C. apparently has its own separate architectural organization. Of course, I realize fully that special knowledge is required for certain types of structures but nevertheless I should like to know and understand better the total amount of architectural assistance there is within the C.B.C. and how much outside assistance is called in, and just why it is felt that it must be done separately, though I know special technical assistance might be required on special technical points.

Captain BRIGGS: I do not think I can add very much.

Mr. MACDONNELL: I should also like to know the total amount paid out in architectural expenses, both to employees and to outsiders, so as to get an idea of the magnitude.

Captain BRIGGS: I do not think, Mr. Chairman, I can add very much to that which I have already said. With your permission I should like this matter stood over until we get on to engineering, where Mr. Ouimet himself will answer in a far more expert manner than I could.

The ACTING CHAIRMAN (*Mr. Régnier*): Is that agreeable to you, Mr. Macdonnell?

Mr. MACDONNELL: You are suggesting that in due course we will come to special consideration of engineering and at that time we can consider the architectural question better?

Captain BRIGGS: Yes.

Mr. CARTER: It is on the agenda.



Mr. KEAYS: I should like to follow up my questioning on this point. You have a total staff of 80 in the mechanical trades, electrical as well as architectural and I am wondering if this would not build up the cost to the corporation to a figure higher than you would have to pay if you paid independent organizations to do this work for you.

Captain BRIGGS: No sir, we do not think so.

Mr. KEAYS: Let us look at it over a period of five years. How much does your corporation expect to spend on capital projects within five years? I do not want guaranteed figures; the estimate will do.

Captain BRIGGS: I have not got the figures on capital projects with me, but I would be prepared to furnish them to you.

Mr. KEAYS: I should like to make a statement. If you have a total of 75 employees earning on an average \$8,000 to \$10,000 a year over a period of five years, would that not be quite a high figure to pay for, let me say, capital expenditure over that period of \$40 million.

Captain BRIGGS: That is true, sir, but not all their time is spent on capital projects. As I said, there is the plant and development. There are people working on allocation of frequencies and there are lots of things going on in engineering other than the erection of new buildings, shall we say. Then, too, there is the continuing day to day operation of the corporation.

Mr. SMITH (*Calgary South*): I should like to ask a question related to the international service and personnel, which has been pursued to some extent by Mr. Horner (*Acadia*). You have a vast number of stringers and can you tell me at what point is there some check made on the authenticity of the information which the stringers are likely to provide, and can you tell me what check is made on their ability and their background? Who is responsible within the corporation to determine these matters?

Captain BRIGGS: I think, broadly speaking sir, the answer to that is that we do not engage a person as a stringer unless we know something about him and his ability. It is on that basis we make use of his services.

Mr. SMITH (*Calgary South*): I understand that. But, my question related to the person who has responsibility. In other words, is it the program head, one of the general managers one of the vice presidents, or is it the duty of one of the committees of the board?

Captain BRIGGS: It would depend on the area with which we are dealing. If it were a stringer with regard to news it would come under the chief news editor who actually superintends the services of these people.

Mr. SMITH (*Calgary South*): In so far as international commentaries are concerned?

Captain BRIGGS: International? In which sense do you mean that?

Mr. HORNER (*Acadia*): News.

Captain BRIGGS: If you mean broadcasts given over our international service then it would be the director of the international service.

Mr. SMITH (*Calgary South*): I shall be more specific. I am sure you will recall it was brought to the attention of the committee some time ago by Mr. Horner that a gentleman who was reputed to be a representative and, I believe, a fairly senior representative of the *Christian Science Monitor* expressed certain views which were later commented upon by various Canadian newspapers. You will, of course, tell me if I am wrong. I understand it turned out this gentleman did not quite have the credentials which the corporation credited him with. Then, some time later, he was again introduced on another program as an authority on United States-Canadian relations. He was again given the same background as being a representative, an editor or a senior

correspondent of the *Christian Science Monitor*, and he again expressed certain views, the accuracy of some of which was open to question. This leads me to believe that there is, perhaps, not too close a check upon the actual background of such individuals. I could mention a number of other instances and what I want to know is who makes the check to determine the credentials of these people?

Captain BRIGGS: I think in this case, if memory serves me correctly, I do not know exactly what reference was made to the individual as to his association with the *Christian Science Monitor*. My understanding is that he was a contributor.

Mr. SMITH (*Calgary South*): As it turned out, he was a contributor. He had contributed to the *Christian Science Monitor* but he was introduced or it was indicated that he was a member of the staff, and this turned out to be somewhat inaccurate.

Captain BRIGGS: If that is correct it was obviously an error. I should, however, point out that when we are speaking of commentators these commentators are, of course, expressing their own views.

Mr. SMITH (*Calgary South*): That is appreciated.

Captain BRIGGS: We try to make that pretty clear.

Mr. SMITH (*Calgary South*): As it has turned out, that individual went to C.B.C. and indicated he was a senior correspondent or editor of the *Christian Science Monitor* when, in fact, he was only a contributor to it. Therefore I suggest his credentials were not examined by the corporation as they should have been. In addition to that he was invited to appear again on another program. If that is incorrect I am sure you will tell me.

Captain BRIGGS: The only way I could answer that is to say we will find out exactly just how this man was introduced to determine the degree of error, if there was an error.

Mr. SMITH (*Calgary South*): This brings me back to the question I asked you earlier. I suppose if I ask you if you are satisfied with the manner in which you check on the credentials of the stringers you will say of course you are, but again I must ask you is there any individual person who looks into the background of the credentials of these individuals?

Captain BRIGGS: In that case it would come under the national supervisor of talks.

Mr. SMITH (*Calgary South*): Of talks?

Captain BRIGGS: In that particular case, so I would imagine.

Mr. HORNER (*Acadia*): I should like to follow up that line of questioning.

M. TREMBLAY: Monsieur le président, je ne m'abuse pas évidemment sur l'importance que peuvent avoir les questions que je peux poser et les réponses qu'on va me donner. Les expériences que j'ai faites dans ce sens-là ont été malheureuses.

Mais, le 11 mai dernier, j'ai posé au président de Radio-Canada une question concernant la responsabilité du personnel de la Société. Spécifiquement, j'ai demandé ceci: Quelles directives reçoivent les employés de Radio-Canada lorsqu'ils vont dans des pays étrangers et, plus précisément, quelles directives la Société leur donne-t-elle en ce qui concerne leurs relations avec nos représentants officiels, avec les représentants officiels de notre pays?

J'ai posé cette question en faisant mention d'un fait, que le président, M. Ouimet, n'a pas relevé et c'est celui-ci: Une équipe de reportage est allée en Espagne, et l'ambassadeur du Canada en Espagne m'a dit lui-même que cette équipe n'avait pas voulu requérir les services de l'ambassade dans le but d'établir des contacts qui auraient permis à la société Radio-Canada de réaliser une émission sur l'Espagne.



Alors, je demande: quelles directives reçoivent les employés de Radio-Canada et, dans le cas particulier auquel je viens de faire allusion, quelles directives ont-ils reçues? De plus, la Société a-t-elle pris connaissance du fait que j'ai mentionné?

Captain BRIGGS: Mr. Chairman, when we have people going abroad, I think it would be safe to say that invariably they are given a pretty full briefing before their departure. In some cases, as a matter of courtesy, they would call upon our official representatives abroad, and in some cases they might call, seeking assistance.

It would appear that in this case they did not feel that they required assistance and, therefore, they did not call.

In regard to this particular instance, I think perhaps Mr. Marcel Ouimet, the general manager of the French network, would be in a better position to speak.

Mr. MARCEL OUIMET (*General Manager, French Network, Canadian Broadcasting Corporation*): Mr. Chairman, in this particular case, I believe Mr. Tremblay is alluding to a crew which was sent overseas to do a Premier Plan for the French network.

When a team is sent overseas like this, the broadcast is generally planned in advance. It follows certain lines.

As the vice-president has indicated, they did not feel, in this particular case, that they needed to avail themselves of the services of the embassy. This is not, by any means, an unusual practice. The B.B.C. has correspondents—special envoys travelling all over the world, and so have the American networks and, to our knowledge, they do not do their work through the information offices of their various embassies.

M. TREMBLAY: C'est la réponse à laquelle je m'attendais, monsieur le président.

Mr. HORNER (*Acadia*): I was quite interested in the vice-president's answer in connection with the question posed by the member from Calgary-South, regarding what I called the phony *Christian Science Monitor* correspondent. He said that he would be directly responsible to the supervisor of talks. I have been looking at this chart, which outlines the general programming and how it is proceeded with, and I fail to see it.

Captain BRIGGS: I am sorry, public affairs. You will find public affairs listed there. They used to call it talks and public affairs.

Mr. HORNER (*Acadia*): In following this up, I see, though, that you have a supervisor of farm and fisheries, a supervisor of news, and a supervisor of public affairs. It seems to me that farm matters are public affairs, and that news also is public affairs.

Captain BRIGGS: Yes, you are correct. I think everything connected with the corporation is public affairs and corporate affairs are public affairs, too. At least, it would appear that way to me.

Simply, this is to break down the over-all work in the farm area. As this area is more specialized, that is the reason we have people in there who understand agricultural matters and are specialists in this field.

Mr. HORNER (*Acadia*): I can well understand that. I quite often have thought that farm affairs are covered by a good number of people who know very little about it.

As I said, I would like to follow up Mr. Smith's remarks in order to support him in his stand that this person was announced as a correspondent to the *Christian Science Monitor*, and a person watching the show was led to believe that he was part of that particular paper. I am thinking particularly of the second occasion that he came over, because I took particular note, to watch. I am



drawing the conclusion that a mistake was made here, and I would like this confirmed or denied. It is my opinion that the people were somewhat hoodwinked in that the corporation hired a man to do spot programming without checking into his credentials to some extent. So, I would like to know the name of the supervisor of public affairs for the English network.

Mr. SMITH (*Calgary South*): I wonder if Mr. Horner would agree to this suggestion, Mr. Chairman. Captain Briggs has indicated to us that he would be prepared to give us an explanation of this, after he had had an opportunity to look into it. There is a principle involved here, and the principle is just this: If we have been unnecessarily unkind to the individual, and inaccurate in our description with regard to his relationship to the *Christian Science Monitor*, this can be brought out in his defence in your explanation, and he is entitled to that. What we would like to know is the circumstances and how this individual—and we would be very happy to provide you with his name—would be invited on two distinct and separate occasions to give his impressions, first of all, on international affairs, and secondly, on United States-Canada relations in connection with international affairs. We are not objecting to the fact that he gave his views, but rather to the manner in which he was introduced, as holding a very superior and senior position in a publication that is well known in Canada. I would like to know how and when any check is made of people, or individuals such as this, to determine their credentials. If that information could be given to us, it would help clear up this matter. If we are wrong, we will be prepared to accept it, and will provide you with other examples. Would that be helpful to you?

Captain BRIGGS: I said that I would look into this for you, in order to determine how this man was introduced. I can only assume that he was chosen for this work because they thought that he was a qualified person. However, as I said, I will check on how he was introduced.

Mr. SMITH (*Calgary-South*): The only reason I bring it up is that I believe it did cause considerable embarrassment to your staff in New York, in that this particular program indicated certain sentiments which were completely in contradiction to the views expressed by your own staff, and this is the important thing.

The VICE-CHAIRMAN (*Mr. Regnier*): Captain Briggs has informed me that we have been mixing up the subjects under discussion, to some extent.

Captain BRIGGS: The next subject is industrial and talent relations.

Mr. FISHER: Would you please set out for us what is involved in this for the corporation?

Captain BRIGGS: Yes. It concerns relations with all the different unions representing staff and talent.

Mr. FISHER: Could I ask this question: Has the C.B.C. considered, or has it any opinions, on bringing before this committee any of the unions or staff associations, such as the producers association?

Captain BRIGGS: I think this, sir, is entirely for the committee to decide.

Mr. HORNER (*Acadia*): Was not the steering committee going to bring in a decision on that?

Mr. FISHER: I think we have decided to call them, but I do not think we have considered calling the producers association. I do not think that it has the status of a union in the English-speaking network, or am I wrong in that assumption?

Captain BRIGGS: No, it has not.

Mr. FISHER: Could you set out for us the unions with which you deal, and also any other associations which do not quite have that kind of relationship?

Captain BRIGGS: I think Mr. Carter could list all these for you.

Mr. CARTER: Mr. Chairman, representing staff, we have 11 bargaining units, and they are as follows: The association of radio and television employees of Canada, representing clerical, administration, sales and program staff in radio and—

Mr. FISHER: That is the group known as A.R.T.E.C.?

Mr. CARTER: Yes. Would you prefer me to give these initials?

The next one is A.R.T.E.C. again, but deals with the building maintenance group in Montreal. The third one is building service employees international union, B.S.E.I.U., Vancouver, representing the maintenance staff in Vancouver.

The fourth is the building service employees international union, Winnipeg, B.S.E.I.U., again representing maintenance staff in Winnipeg.

The fifth is the building service employees international union, Toronto, B.S.E.I.U., representing the same branch for Toronto.

The sixth is the building service employees international union, Ottawa, representing the same group for Ottawa.

The seventh is the building service employees international union, Montreal, and they represent that group in Montreal. Again, that is B.S.E.I.U.

The eighth group is Canadian wire service guild, local 213, American newspaper guild, known as A.N.G. This represents the editors right across the country.

The ninth one is the international alliance of theatrical stage employees and movie picture operators of the United States and Canada, known as I.A.T.S.E., and represents the craft and production staff in TV.

The tenth is the national association of broadcast employees and technicians, known as N.A.B.E.T., and represents the technical staff across the country, both in radio and TV.

The eleventh and last is the national association of broadcast employees and technicians, TV studio watchmen, Montreal, and N.A.B.E.T. is again the bargaining agent there.

The VICE-CHAIRMAN (*Mr. Regnier*): On May 11th Mr. Chown requested a return showing the number of job classifications of the corporation, annually over a period of years. I believe this is just what you have given us now.

Mr. CARTER: I have given you a list of the bargaining units representing staff.

The VICE-CHAIRMAN (*Mr. Regnier*): And these are being distributed now?

Mr. CARTER: What is being distributed is the answer to Mr. Chown's question in which he asked for the number of classifications in bargaining units, year-by-year.

Captain BRIGGS: And this is for staff only. Mr. Carter now will give you several bargaining units which do not deal with staff people, but are connected with talent.

Mr. FISHER: Are there any staff associations within the C.B.C. that have not the status of bargaining unions, but which deal in certain matters and have some kind of liaison with the management?

Mr. CARTER: Yes, there are some professional associations. There is L'association des Réalistes de Montréal; that is the Producers Association of Montreal.

Mr. FISHER: Is that the group which was on strike?

Mr. CARTER: Yes. The second group is the Producers Association in Toronto. Discussions take place with that group. There is no formal agreement. There is also a Professional Association of Technical Producers in Montreal. There is no collective bargaining with them.

Mr. FISHER: They are a self-contained unit?



Mr. CARTER: Yes. Those are all the unions or associations representing staff.

Mr. FISHER: So you have a total of some 14?

Mr. CARTER: Yes.

Mr. FISHER: Could you give us the overall picture of your problems or difficulties with these groups?

Mr. CARTER: I would say that they are the normal relationship between employer and employee. With the producers in Montreal, as you have mentioned yourself, we had a difficult situation to meet.

Mr. FISHER: Can you give us a comprehensive review or provide us with a historical summary of your dealings with these groups which led to some breakdown in relationship?

Mr. CARTER: With the staff unions, there have been no breakdowns, except with the I.A.T.S.E. union. At times there were a few wildcat affairs, but they were of a minor nature. They did not last for any length of time before the situation was cleared up. With the staff unions those were the only serious problems we had.

Mr. FISHER: Did any of these unions develop specifically within the C.B.C., and would be concerned only with C.B.C. operations?

Mr. CARTER: A.R.T.E.C. is an example.

Mr. FISHER: There was not any sort of sweetheart arrangement here between the employer and this group. It grew on its own, without any encouragement by management?

Mr. CARTER: No sir, definitely not.

Mr. HORNER (*Acadia*): With respect to this table which has just been passed around showing job classifications and these bargaining units in A.R.T.E.C. section 1, is it a correct assumption to say that there are 168 different classifications?

Mr. CARTER: Yes, that is the total of job classifications in the unit.

Mr. HORNER (*Acadia*): Could we be given some kind of breakdown or clarification with respect to the union rates, for the hiring of artists. I am thinking for instance of contract artists such as musicians. Must they accept, or is it that they cannot accept something lower, or something along those lines? I realize that you cannot do this today, but could we be given a breakdown on this so that we may have some idea of the minimum rate which must be paid?

Mr. CARTER: It is fairly complicated. It depends on the circumstances which apply. We could submit a statement in writing, showing the minimum rates for musicians, if that is what you want. Would you be agreeable for us to submit this in writing?

Mr. HORNER (*Acadia*): Oh yes, I am quite prepared for you to produce it to us at another meeting. I mentioned musicians. Have you anything else such as these classifications? I am thinking of directors. Maybe there is a union for directors?

Mr. CARTER: There are two main groups, musicians and performers under C.C.A.A. We could supply that information for you too.

Mr. HORNER (*Acadia*): I have a further question. I wonder if it comes under good relationships. I notice in the same chart that you have supervisors of program clearance. This relates to some question asked earlier. Apparently 65 persons were employed under this particular branch, that is, under supervisor of program clearance. Does that branch clear all the programs? I think maybe we have had this question asked before, but I am a little vague on the answer.



Mr. CARTER: I understand you are referring to Quebec, and the charts submitted by Mr. Ouimet. The basic function of the program clearance unit is the preparation of schedules, the preparation of logs and allocation and assignment of studios and facilities. In addition to that in Montreal, we have tied the studio watchman group to the program clearance branch.

Mr. HORNER (*Acadia*): You say watchmen?

Mr. CARTER: That is right. We have studios all over the city of Montreal. They are spread out, and we have to make sure that these studios are available and free when we need them. So we have included the studio watchmen in there.

Mr. FISHER: Might I ask a question about your relationship to the union?

Mr. BRIGGS: May I make one more remark: under this heading of program clearance, there comes what might perhaps be more readily understood as traffic. This is the clearing or the ordering up of lines, and the clearing of lines and the routing of programs, and all that end of it. It is pretty complicated. It is rather like a railway schedule, so to speak.

Mr. FISHER: I understood that part of it. I could realize that you would have to project for lines and things and so on. What I was thinking about was the watchmen being included in this group.

Mr. CARTER: Program clearance is responsible for the assignment of studios. That is one of their functions. They have to make sure that the studios are in proper condition when they are required.

Mr. FISHER: How many union contracts do you have with union shops and how many do you have with closed shops?

Mr. CARTER: None.

Mr. FISHER: Has this every been an issue?

Mr. CARTER: Very much so since the beginning.

Mr. FISHER: In other words, it remains an issue?

Mr. CARTER: Every time we negotiate.

Mr. FISHER: So far there has been no concession towards either of them.

Mr. CARTER: We have a modified Rand formula for check-off. That is all we recognize.

Mr. FISHER: Could you give us an indication as to what percentage of your people are concerned?

Mr. CARTER: We are not interested in that. Remember, we do not investigate membership in the union.

Mr. FISHER: So you really do not know what percentage of your employees actually belong to these unions?

Mr. CARTER: No sir. The Canada labour board certifies these unions as representative of the employees. They are the ones who decide.

Mr. FISHER: On what basis?

Mr. CARTER: On a vote.

Mr. FISHER: You never asked for a new vote in order to determine whether the percentage has fallen below that which is required?

Mr. CARTER: No.

Mr. FISHER: Have you ever had any doubts as to whether the percentage has dropped below the required point?

Mr. CARTER: No sir, we have no reason to believe that the percentage would have dropped below.

The VICE-CHAIRMAN (*Mr. Régnier*): If there are no further questions, let us pass on.

Mr. FISHER: I would like to turn to the talent side of it. How rigid are the rules in so far as the hiring of talent on contract or a one-shot basis is? How rigid are the union rules in that particular regard?

Mr. CARTER: We can hire performers—generally performers are hired on a single occasion basis. But for a series of programs it might be in the interests of the corporation to reserve the services of performers. So in those cases we would enter into contracts.

Mr. FISHER: Do these contracts come under the scrutiny or approval of the unions at any time?

Mr. CARTER: They are negotiated between the performer and the corporation.

Mr. FISHER: With no question of the union coming into it?

Mr. CARTER: The A.F. of M. sees the contracts.

Mr. FISHER: Is there a check-off on the fees that the talent performer gets?

Mr. CARTER: Not in the usual sense. There is no check-off for the payment of dues, but there is a form of check-off for a welfare plan and a pension plan with the C.C.A.A.

Mr. FISHER: Have you ever received any representations from the unions against the employment or use of a member who was delinquent or who was not in good standing?

Mr. CARTER: Well, on one occasion we had difficulties. The person had been more or less of a strikebreaker in another station, and his services were to be used, and it created difficulty.

Mr. FISHER: What was the solution?

Mr. CARTER: We used him.

Mr. FISHER: What about your relationship with the musicians union? You have no formal contract here?

Mr. CARTER: Yes, we have had a contract with the musicians union since last year. I did not get that far when I was speaking about unions. I did not have a chance to get to talent.

Mr. FISHER: Could you give us the talent group now?

Mr. CARTER: The talent group, yes.

Mr. PRATT: Are we to receive a printed list of the talent group, such as we have for the staff here?

Mr. CARTER: This was simply in answer to a question asked by Mr. Chown. And in order to answer this question we had to give a breakdown of these various units. As far as performers are concerned, I can give them to you right now.

Mr. FISHER: Put it on the record and we will have it.

Mr. CARTER: Wait just a second, please. As far as talent is concerned, we deal as I mentioned, with the American federation of musicians. We have a radio agreement and a television agreement with them expiring on March 31, 1963. We deal also with the Canadian council of authors and artists. There are various agreements covering performers in television, performers in sustaining radio, and also performers in the international service.

For the French performers we deal with La Federation des Auteurs et des Artistes.

Mr. PRATT: The C.C.A.A. also includes actors?

Mr. CARTER: Yes.

Mr. FISHER: In this field you have approximately five groups.

Mr. CARTER: That is correct.

Mr. FISHER: One field I am interested in is your negotiations with local artists as against national artists or musicians. Is this something that has become an issue recently?

Mr. CARTER: We have a contract with the American federation of musicians which we negotiated last year for the network.

Mr. FISHER: I understood that some private stations are having difficulty in getting what they call a local right, because of objections of the C.B.C. to it. Now then, this may just be a rumour or a conjecture, but can you assure me that you have a single rate with the musicians union for all music programming, or do you have different rates depending on the size of the audience and whether it is restricted to one station or for the network?

Mr. CARTER: May I check on that? The answer is that we have a contract which covers network operations.

We have one contract that covers programming which goes on the network. In addition to that, for local musicians, we deal with the local union for an agreement on the rates which will apply when the program is to be broadcast locally or regionally.

Mr. FISHER: Have you another series of contracts or agreements with organizations such as the B.M.I., or with the composers?

Mr. CARTER: Yes, there are agreements with those.

Mr. FISHER: Could they be put on the record too, that is the names of the organizations and the type of agreements?

Mr. CARTER: That is out of my field.

Captain BRIGGS: The names of the two associations are B.M.I., which is Broadcast Music Incorporated, and the other is CAPAC, which is the Canadian Association of Publishers, Authors and Composers.

Mr. FISHER: Has any issue been raised lately by the latter organization regarding the use and proportion of Canadian music and arrangements on the C.B.C.?

Captain BRIGGS: These people are not unions.

Mr. FISHER: I know.

Mr. MARCEL OUMET (*General Manager, French Network of the Canadian Broadcasting Corporation*): If I may give the answer to that, it is that CAPAC files a tariff before the copyright appeal board. I have not got the details of it here, but it is published in the *Canada Gazette*. The last time it was filed was about four years ago, or thereabouts. It is based on so much per head of the population, and runs to quite an amount of money. In the case of BMI in Canada, which is Broadcast Music Incorporated, it again is a society dealing with performing rights and in this particular case we have an entente with them, which is not subject to the copyright appeal board; but they would be free to file a tariff if we were not in a position to come to an understanding with them on the basis that we have done so in the past.

On top of that we also deal with two performing right societies with headquarters in Paris, and we have contracts with them. They are concerned with the protection of performing rights of French authors, dramatic authors and novelists. One is La Société des Auteurs Dramatiques de Paris and the other is La Société des Gens de Lettres. The first deals with the protection of dramatic rights for authors and the second with the rights of poets and novelists.

Mr. FISHER: In other words, you have 11 trade unions, five associations in the talent field and four in the field of copyright?



Mr. CARTER: May I make one correction? I forgot the two groups represented by CCAA, with writers in television and writers in radio. Therefore, instead of five there are actually seven.

Mr. FISHER: So in this particular field you have a myriad group of organizations to deal with?

Mr. CARTER: Yes.

Mr. FISHER: Would it be fair to ask you to give some indication of your costs for a year to deal with this array of groups, with BMI and CAPAC and the other organizations which are concerned with actual creative work?

Captain BRIGGS: In the case of CAPAC for 1959-60, if you will allow me to use approximate figures, the total was about 350,000 and in the case of BMI it was approximately 40,000.

Mr. FISHER: 40,000?

Captain BRIGGS: 40,000.

Mr. HORNER (*Acadia*): 40,000 what?

Captain BRIGGS: \$350,000 and \$40,000.

Mr. FISHER: In this field of talent could I ask a general question as to what you are doing to encourage the use of works by Canadian composers and authors?

Captain BRIGGS: Do you mean in the international field?

Mr. FISHER: No. Some of the complaints I have received indicate that there is difficulty in getting Canadian music and the works of Canadian authors into the C.B.C. The complaint is also made that there is a great tendency for the C.B.C. to use the works of foreigners both in the field of music and recreative writing.

Captain BRIGGS: I think, Mr. Chairman, we certainly try to tap all available sources. I have not got the figures in front of me but in the various categories such as actors for example, we have figures which would indicate the number of people who have been seen for the first time. In fact, I thought some of this information was filed but perhaps it has not been. It runs into a very large number of people in any given year.

In the musical field we certainly do our best to give opportunity there for people to have their works performed. I think possibly one of the problems is often the nature of the work. If the work is of a classical or semi-classical nature there is not the same demand for it but we certainly do our best to expose it.

Mr. FISHER: Could you give us some quantitative indication of what your contribution has been in this field? I am thinking of creative works of musicians and authors.

Captain BRIGGS: We have not got our program people with us today. I did not expect we would be dealing with programs and so I have not that information with me.

Mr. FISHER: I am sorry. I thought this was talent.

Mr. PRATT: May I ask a supplementary question?

Captain BRIGGS: May I just finish first?

Mr. PRATT: I beg your pardon.

Captain BRIGGS: Perhaps it would give you some indication of the work we do in this field of trying to promote Canadian talent if I asked Mr. Delafield to tell you what is done under our international service.

Mr. PRATT: I think it should be clearly understood that what we are discussing is classical works. You have suggested there was very little demand for classical music but I would suggest the only opportunity to have native

works produced would be in that field because in the popular field there is no demand unless a synthetic demand is created by disc jockeys on an international basis.

Captain BRIGGS: But there have been a number of original works done by the C.B.C. in that field also.

Mr. PRATT: You have to have a name artist, someone like Juliette to do that.

Mr. SMITH (*Calgary South*): I wonder if I may return to the examination which we imposed upon Mr. Ouimet dealing with unions in relation to the cost of operations. He indicated this was a real problem in the sense that, in this age of specialization, a factor had to be determined based on the number of employees through which unions would negotiate their contracts with the corporation. I understand you show 160 job classifications. Mr. Ouimet specifically mentioned a situation where a cameraman under union contract—and I am not really objecting to this—was not permitted to move a piece of scenery. I am assuming you deal with the unions and therefore would answer this question, which almost sounds naive. There is a continuing demand for, and you are likely to forecast, a sizeable dilution of staff in terms of job qualifications. These are actually increasing in number and usage also, as shown in your estimates. I should like to ask if this is a real problem, or at least for the immediate future have you met it satisfactorily?

Captain BRIGGS: I think, Mr. Chairman, for the immediate future it appears to be met satisfactorily. However, I think what would be helpful to the committee would be to get a little of the historical background of this question of unions and I would ask Mr. McKee, our director of industrial relations, to give you that background.

Mr. C. B. McKEE (*Director of Industrial and Talent Relations, Canadian Broadcasting Corporation*): In answer to Mr. Smith's question, I think the most important thing for everyone to know is that we do not set the jurisdictional areas for the unions. The jurisdictional areas are set when the unions apply for certification and go to the Canadian labour relations board. Unfortunately, in this area of television there is no comparable job structure in this country, and I might suggest that I think the Canadian labour relations board tended to follow traditional lines in the theatre, and what little tradition had already been developed in the United States. In hindsight it may appear that the jurisdictional areas laid down have possibly not assisted us in the performance of our functions. That is unfortunate but this is a system to which we are now tied.

Going back to 1953, at the time when the unions were principally before the Canadian labour relations board, we took the position that television was a team function and, if it was a team function we considered it would be in our best interests that one union would represent all of them. Unfortunately, the Canadian labour relations board did not agree with us on that and this has caused some of the problems.

If I may make an observation on the thinking which one might be tempted to follow from the fact that a cameraman cannot touch scenery, I would say that is true, but it is highly unlikely, forgetting union jurisdictions, that we should like a stage hand to touch so delicate a piece of equipment and so expensive a piece of equipment as a camera.

Mr. SMITH (*Calgary South*): There are compensating factors?

Mr. McKEE: There are compensating factors, and I can assure you this has been said previously to the committee and to previous committees, that there is no featherbedding in the organization. No union has ever approached us on a featherbed basis. They have approached us very definitely on a jurisdictional basis but never on a featherbed basis.



Mr. PRATT: May I ask a supplementary question?

I believe some time ago an attempt was made to televise the half-time spectacle at some football games, but a demand was made by the union that if the band was seen marching across the scene then wages would have to be paid to it, or a standby band employed. Is that right?

Mr. McKEE: The musicians' union, if I may say so, is a very tight union. It gives great protection to its members.

Mr. PRATT: That would not come under the head of feather-bedding?

Mr. McKEE: I was talking in answer to a previous question. I was specifically dealing with staff unions, the industrial unions. I possibly would not have been quite as positive if I had to answer for the musicians' union. We do not have feather-bedding, but we have a certain type of union which insists on certain things.

Mr. PRATT: Would not this, in your opinion, be very close to feather-bedding?

Mr. McKEE: No, I would not say it was feather-bedding.

Mr. SMITH (*Calgary South*): If I understand your interpretation of feather-bedding, in this sense you are saying you are not unhappy with the requirements of unions dealing with personnel of a specialized nature. You are not dissatisfied that these people could, perhaps, be occupying dual posts, not necessarily working longer hours, but you are satisfied there is no overlapping, or obvious overlapping, thus increasing the costs to the corporation?

Mr. McKEE: I did not say we were happy. We, in effect, are in an environment where we have unions, where the labour board has set the circumstances under which we must operate, and we are operating under them, whether we are happy or unhappy.

Mr. HORNER (*Acadia*): My question follows on one asked by Mr. Fisher. In answer to one of his questions you stated there was a difference between international rates and Canadian rates. You then went on to say that there were local rates and network rates. Where do the international rates come into the scene?

Mr. CARTER: Mr. Fisher asked if we had problems with local rates with regard to the musicians' union. I explained how we operated, and what were our relations with the American federation of musicians. I also mentioned in talking about the C.C.A.A. covering performers, that we had an agreement which covered performers for the international service. We have a separate agreement for that.

Mr. HORNER (*Acadia*): You have a separate agreement, but then there are definitely two rates, the local and the network rates. Would the network rates be the same as the international rates?

Mr. CARTER: Not necessarily.

Mr. HORNER (*Acadia*): Then there are three different rates?

Mr. CARTER: There are as many rates as we have agreements.

Mr. HORNER (*Acadia*): I am talking about rates for musicians and artists. Following on that, I was interested in Mr. Fisher's question with regard to Canadian script rights and Canadian rights generally. I have noticed that a lot of the plays which the C.B.C. presents are, shall we say, the product of outside talent, and in answer to a question by Mr. Tremblay it was stated that a list is being prepared of the scripts used. Also, some information was to be given with regard to artists and writers. I think Mr. Ouimet said the names were given after the programs were shown.

Captain BRIGGS: There is a list being prepared on these matters.



Mr. HORNER (*Acadia*): On this return could you, perhaps, show whether a person was a Canadian, an American, or came from Great Britain, so that we could have some idea in judging whether you are actively seeking Canadian plays, or whether you are going abroad for most of your program writing?

Captain BRIGGS: I think the point was brought up at a much earlier meeting. This whole question about the availability of scripts was raised previously, and I think I myself stated at the time that the situation in Canada is no different than what it is in any other country. There is a paucity of scripts. The writers just cannot keep up with the demand.

Mr. HORNER (*Acadia*): Therefore you will have to call in more writers.

Captain BRIGGS: We are always hungry for scripts, but, Mr. Horner, we must also remember something about the quality of the writing. We just cannot purchase anything which is submitted, and we do want to use the scripts of other nationals. It would be a rather arid sort of programming we should be offering, I submit, if we did not call upon writers from all over the world.

Mr. HORNER (*Acadia*): The point I am trying to make is that I believe we in Canada do have a better international understanding and viewpoint than some of our close neighbours. I think the scripts used should be predominately Canadian, with a seasoning of, shall we say, outside plays by outside writers, so that we can maintain Canadian culture and Canadian content. If you are going to prepare a list of playwrights then I think an indication should be given also of the percentage of these people who are Canadians, Americans, and Britons, so that we can judge whether or not Canadian talent is being used and developed.

Captain BRIGGS: In certain areas we are able to use far more Canadian writing than in other areas, but I would try to put the point across that I think percentages would be somewhat meaningless. From a purely practical point of view we do not want to say: "Right, we will use 20 per cent, 30 per cent, 40 per cent, 50 per cent, or any specific percentage of Canadian writing, and this is what you are going to get over the airways." I think it has to be judged on what is available, and what becomes available as the result of encouragement. We do encourage Canadian writers, as I mentioned earlier, through our script bureaus. They are encouraged to come and see us, and submit ideas in outline form or in finished form. We work with them, and I think we are getting an increasing usage of Canadian writers.

I have now been given some figures with regard to Canadian scripts. In the course of the year just ended, the English network and regional production centres purchased some 3,265 scripts for television and radio programs in the drama, children's, farming, public affairs and school department, and this includes provincial school broadcasts. 3,175 of these scripts were purchased from Canadian writers. That is a very high percentage in that particular area.

Mr. HORNER (*Acadia*): Would you repeat the figures, please?

Captain BRIGGS: There were 3,265 scripts, of which 3,175 were by Canadian writers.

Mr. HORNER (*Acadia*): In what areas were these?

Captain BRIGGS: In the areas of drama, children's broadcasts, farming broadcasts, public affairs, the schools department, including provincial school broadcasts.

Mr. McCLEAVE: Could that be broken down into categories? Some of these broadcasts might be on a commission basis over a long period of time, and others may be just one-shot programs.

Mr. PRATT: These are not really dramatic scripts, and I think Mr. Horner is referring to dramatic scripts.

Captain BRIGGS: Television drama accounted for 145 scripts, of which 120 were Canadian. 23 were original hour long Canadian plays, 52 were half hour original plays, 24 were hour length adaptations and 21 were half hour adaptations. With regard to the adaptations I must say I would have to check on them. In such a case it would be a Canadian doing the adaptation of a script, but I would not know who wrote the script.

Mr. McCLEAVE: I do not think we would ask you to take the trouble of breaking it down into adaptations. I think the over-all figures regarding drama are significant and most encouraging.

Captain BRIGGS: I might add that we receive approximately 3,000 original manuscripts per year, which range from complete plays in proper form to the merest outline, given on occasions in pencil.

Mr. McCLEAVE: Written on the back of shingles?

Mr. PRATT: I have one short question in regard to music. I have received a letter from a member of the public who is interested in Canadian composers, and one of the suggestions he made was:

That the B.B.G. consider enforcing a minimum content of Canadian music rising from the present 2 per cent to 15 per cent over the next 3 years.

I have never heard any mention of this minimum 2 per cent. I should like to know if there is such a percentage minimum for Canadian music for broadcast purposes?

Captain BRIGGS: This may be what it works out at, but I never heard of any percentage laid down, 2 per cent, 3 per cent, or anything else like that.

Mr. SMITH (*Calgary South*): If I accurately gauge the number of members present, and considering the length of time we have already sat today, I might suggest this would be an appropriate time to adjourn.

Mr. TREMBLAY: I second that.

## APPENDIX

## JOB CLASSIFICATIONS WITHIN BARGAINING UNITS\*

	1954	1955	1956	1957	1958	1959	1960	1961
A.N.G.....	8	19	19	19	19	23	23	31
A.R.T.E.C.....	N/A	120	120	147	149	149	168	168
A.R.T.E.C. (B.M.G.).....	N/A	N/A	N/A	N/A	N/A	12	12	15
B.S.E.I.U.								
Montreal Unit.....	N/A	N/A	N/A	N/A	6	6	4	4
Ottawa Unit.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Toronto Unit.....	N/A	N/A	N/A	N/A	N/A	2	2	6
Vancouver Unit.....	N/A	N/A	N/A	N/A	1	1	2	2
Winnipeg Unit.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6
I.A.T.S.E.....	N/A	44	45	45	48	48	54	54
N.A.B.E.T.....	24	24	24	24	24	24	27	27
N.A.B.E.T. (Studio Watchman).....	N/A	N/A	N/A	N/A	1	1	1	1

\* The schedule starts at 1954 because the information is based on statistics as of March 31st of each year and the first collective agreement came into effect during the fiscal year 1953-54. N/A indicates that the bargaining agents had not yet been certified for the unit. All classifications fall within the Corporation's job and wage structure. New classifications result from two main circumstances, (a) specialization of functions arising out of growth and (b) development of new functions.

Legend: The full titles of unions, designated above by initials, are as follows:

- A.N.G. — American Newspaper Guild
- A.R.T.E.C. — Association of Radio Television Employees of Canada
- A.R.T.E.C. (B.M.G.) — Association of Radio Television Employees of Canada (Building Maintenance Guild)
- B.S.E.I.U. — Building Services Employees International Union
- I.A.T.S.E. — International Alliance of Theatrical Stage Employees
- N.A.B.E.T. — National Association of Broadcast Employees and Technicians.



THE FOLLOWING IS AN ENGLISH TRANSLATION OF THE  
DELIBERATIONS CARRIED ON IN FRENCH ON THIS DATE.

(Page 654)

Mr. TREMBLAY: Mr. Chairman, I am under no delusions as to the possible importance of any questions I may ask and of the answers that will be given me. The experiments I have tried in that regard have been rather unfortunate.

But, on May 11th last, I asked the President of the CBC a question concerning the responsibility of CBC personnel. I asked specifically what directives the employees of the CBC receive when they go to foreign countries and more particularly what instructions the Corporation gives them concerning their relations with our official representatives, the official representatives of this country.

I asked that question, mentioning a fact to which the Chairman, Mr. Ouimet, did not pay attention and it is this: A reporting team went to Spain and the Canadian Ambassador in Spain told me himself that that team had not wanted to request the services of the Embassy in order to establish contacts which would have enabled the CBC to produce a programme on Spain.

I am therefore asking: What directives do CBC employees receive and in the particular case to which I have just referred what directives did they receive? Furthermore, has the Corporation enquired into the incident I mentioned?

(Page 655)

Mr. TREMBLAY: That is the answer I expected, Mr. Chairman.

















HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

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TUESDAY, MAY 30, 1961



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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation;  
Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. E. S. Hall-  
man, Vice-President, Programming; Mr. C. B. McKee, Director of  
Industrial and Talent Relations.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY

OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Régnier

and Messrs

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 112-N.

Tuesday, May 30, 1961.

(29)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. G. C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Fairfield, Fisher, Horner (*Acadia*), Macdonnell (*Greenwood*), McCleave, Pugh, Regnier, Simpson, Smith (*Calgary South*), Webb.—(13).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President, Mr. V. F. Davies, Comptroller; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. E. S. Hallman, Vice-President, Programming; Mr. Marcel Ouimet, General Manager, Network Broadcasting (*French*); Mr. H. G. Walker, General Manager, Network Broadcasting (*English*); Mr. C. B. McKee, Director of Industrial and Talent Relations; Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs.

The proceedings opened with the announcement by the Chairman that in compliance with a request by Mr. Horner (*Acadia*) on May 18th, a return comprising a complete set of cards showing rates charged for commercial advertising on all television and radio stations of the Canadian Broadcasting Corporation had been furnished and a copy thereof delivered to each Member's room on the preceding day.

Other returns were filed and distributed to the members present as follows:

1. Firms receiving legal fees from the Corporation in the fiscal year 1959-60—requested on May 18th by Mr. Chown. (*See Appendix "A" hereto*).
2. Number of subscribers to "CBC Times", together with a brief statement of revenues and expenditures—requested on May 23rd by Mr. Chown. (*See Appendix "B" hereto*).
3. Union rates for musicians and performers—requested on May 25th by Mr. Horner. (*See Appendix "C" hereto*).
4. List of names of all Canadian distributors with whom the Corporation did business in the fiscal year 1960-61—requested on May 25th by Mr. Chown. (*See Appendix "D" hereto*).

At the suggestion of Mr. Chown, it was agreed that all these returns be appended to the printed record of today's Minutes of Proceedings and Evidence as indicated above.

Other answers to questions by Mr. Chown and Mr. Smith (*Calgary South*) were read into the record. (*See beginning of the Evidence hereinafter*).

Mr. Alphonse Ouimet was allowed to make certain corrections to the printed record of his evidence given at earlier proceedings.

Captain Briggs gave an oral answer to a question asked by Mr. Smith (*Calgary South*).

The Committee resumed from Thursday, May 25th, its adjourned inquiry into the affairs of the Canadian Broadcasting Corporation, with Mr. Alphonse Ouimet still under questioning.

The witness was assisted by Captain Briggs, Mr. Fraser, Mr. Hallman and Mr. McKee, who answered certain questions pertaining to specific matters under their direct supervision.

Certain questions were asked to which Mr. Alphonse Ouimet undertook to give answers at a later date.

And the examination of the witnesses still continuing, it was adjourned to a later date.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Thursday, June 1, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

TUESDAY, MAY 30, 1961.  
9.30 a.m.

The CHAIRMAN: Good morning, gentlemen. Last time we had practically finished with the talent unions. I have some reports which have been filed with the chair. On May 18, Mr. Horner requested a return showing rates charged by various C.B.C. stations for commercial advertising. To meet this request C.B.C. are now supplying a complete set of current C.B.C. rate cards for all their television and radio stations. This was distributed at six o'clock yesterday.

There is also a request for information raised on various dates. On May 18, Mr. Chown asked for a return of firms receiving legal fees from the corporation in the fiscal year 1959 to 1960.

Secondly, on May 23 Mr. Chown asked for the number of subscribers to "C.B.C. Times", together with a brief statement of revenues and expenditures.

Thirdly, on May 25 Mr. Horner asked for union rates for musicians and performers. This will be distributed. It is fairly bulky, and I do not know whether you would like to add it as an appendix to today's proceedings.

Mr. CHOWN: I will move that all evidence you have so far tabled, Mr. Chairman, be made an appendix to today's minutes. I realize that the schedule of rates paid to the craft unions—which is something in which I am very interested—would be the bulkiest part.

The CHAIRMAN: But not the card rates. We will not get our evidence back for weeks if we include that.

On May 23 in the committee Mr. Chown requested information concerning representation expenses broken down according to (a) board of directors, (b) the executive group and (c) other.

The figures for the year ended March 31, 1961 are as follows:

Board of directors .....	\$ 425.
Executive group—head office .....	7,667.
All other representation expenses .....	43,993.
	<hr/>
	\$52,085.

At the May 23 meeting of the parliamentary committee on broadcasting Mr. Arthur Smith requested information about capital costs of existing radio installations at Lacombe and Edmonton compared with estimated capital costs of proposed Alberta radio installations.

The original cost of the Lacombe transmitter facilities when they were acquired in 1948 was approximately \$481,000. The associated rebroadcast station in Edmonton cost the corporation \$7,500. The present depreciated value of the Lacombe installation is \$158,000 and, of the Edmonton station, \$1,600.

Proposals for development of Alberta radio coverage call for two 50-kilowatt transmitters, one near Calgary and the other near Edmonton. Total cost is estimated at approximately \$1,300,000.

Those are all the returns I have for today.



Mr. SMITH (*Calgary South*): Might I ask one question with respect to a request for information that I put to Mr. Ouimet, which I gather was readily available, and that is the five-year projection of operating capital expenditures.

Mr. ALPHONSE OUMET (*President, Canadian Broadcasting Corporation*): Yes, it is readily available, but I would like to clear it with the executive committee of our board on June 5, if possible, before presenting it to the committee, because this is not information we have dealt with in that form before.

The CHAIRMAN: Is that satisfactory, Mr. Smith?

We have some corrections in the evidence to be made by Mr. Ouimet.

Mr. OUMET: On page 582 of the minutes of proceedings there is a word to be changed in the ninth paragraph, the fourth line, the word "question" which is the fourth word on that line, should be replaced by the word "operation".

On page 604 there are two corrections in the twelfth paragraph. The third line reads:

Submit an estimate of five-year capital forecast.

What I said was:

Submit an estimate of the effect of the five-year capital forecast.

Four paragraphs further down, the sentence starts:  
to counsel

It should be:

to council

—the council of ministers.

The CHAIRMAN: Is that all?

Mr. OUMET: That is all I have.

I have a question, Mr. Chairman. I am wondering whether it would be possible for the committee to let the corporation know what its plans are with respect to its activities for the month of June as far as the C.B.C. is concerned. We have a board meeting in the week of June 26, which will tie us up pretty well for the whole week. Since there are, I believe, twelve meetings possible between now and that week, I was wondering whether we could count on being through by that time. I am not just thinking of the activities of the corporation, I am also thinking of the B.B.G., which is waiting for us to get through so that they can appear again, and I would certainly not want the B.B.G. to feel we are getting any preferential treatment.

Mr. MCCLEAVE: Can it be taken up in the steering committee?

The CHAIRMAN: Yes, but I hope it points out that we have to be through with the C.B.C. by that time if possible.

Mr. PUGH: Is that the end of August?

The CHAIRMAN: The end of June.

Mr. MCCLEAVE: Could I ask this further question; will Mr. Ouimet and his associates gather around us the week before to prepare for this end of June meeting?

Mr. OUMET: To tell you frankly, it is difficult to take care of both our normal activities and to give proper attention to the work of the committee.

The CHAIRMAN: There are a couple of questions to be answered by Captain Briggs.

Captain W. E. S. BRIGGS (*Vice-President, Canadian Broadcasting Corporation*): There was one question by Mr. Fisher who asked what was Mr. Ayles-

worth's association with the program Front Page Challenge; if he received any money. The answer to that is Mr. Aylesworth receives no remuneration in respect to Front Page Challenge.

The other question was from Mr. Smith with regard to Arnold Beichman, who appeared on the program Background. Mr. Beichman appeared on three programs, on June 26, 1960, October 23, 1960 and January 19, 1961. These programs originated in Toronto, not in New York, and on all three programs Mr. Beichman was accurately identified as a special correspondent for the *Christian Science Monitor*.

Mr. HORNER (*Acadia*): What is meant by the word "special"?

Mr. BRIGGS: The term "special correspondent" is used by newspapers to describe contributors who are not regular staff members but who contribute articles on a freelance or retainer basis. C.B.C. follows the newspaper practice of distinguishing between those who are staff correspondents and those who are not. Mr. Beichman has contributed numerous articles to the *Christian Science Monitor* during the past ten years.

Mr. HORNER (*Acadia*): Would you not think that using the word "special" there might be somewhat misleading? Would not "part time" be better?

Mr. BRIGGS: I think this would be a question you would have to take up with the various newspapers and magazines that have used that expression throughout the years. It is their expression, not ours, and I can show you photo-static copies, if you like, of the way it is used in the *Christian Science Monitor* articles. This man has contributed or listed many such articles as special correspondent.

Mr. McCLEAVE: The nomenclature is correct on the use of "special" rather than "part time", which would imply part time on a salary basis rather than special duties.

Mr. SMITH (*Calgary South*): I made clear at the time, Captain Briggs, that I did not want unjustly to discredit Mr. Beichman in the event the information was inaccurate. The wording "special correspondent" I have since found does appear on the second of the two commentaries carried out. This nevertheless leads one to believe, that without defining the descriptive way in which he was introduced, perhaps his association was somewhat closer with this famous newspaper than the audience and the corporation have been led to believe. Nevertheless, I would not want to discredit him and I would want to apologize to him on that basis.

I would ask you, however, whether you received any complaint or criticism from your own staff in New York for using Arnold Beichman in such a manner while you have such competent staff in New York to carry out the same functions? These people in New York carry out the day-to-day appraisal of the situation.

Mr. BRIGGS: I can answer that, sir. This is an internal matter. If I might be so bold I would suggest the circumstances in this particular case were that we did not receive any complaints from our people in New York; we received an inquiry. These programs originated in Toronto, not New York. The C.B.C. staff at the United Nations therefore did not know of Mr. Beichman's participation. Officials of the Canadian delegation at the United Nations represented to our United Nations staff that Mr. Beichman had been wrongly identified as a *Christian Science Monitor* correspondent; he is the United Nations correspondent. These representations were passed to our Toronto offices and the C.B.C. representative at the United Nations was advised of the precise terms in which Mr. Beichman had been introduced. This internal information was promptly communicated to the officials of the Canadian delegation who had instituted the inquiry.

Mr. CHOWN: On evidence filed this morning, Mr. Chairman, I have a few questions.

The CHAIRMAN: Could you wait for a moment, please?

Mr. HORNER (*Acadia*): On that same subject, this particular person and the amount paid for these broadcasts will come in under that list of persons and amounts that I asked for, I presume?

Mr. BRIGGS: The specific amounts? No, we did not prepare them.

The CHAIRMAN: The total amount.

Mr. OUMET: To this man, Mr. Beichman. This was not requested last time, and if it was requested I think it falls into the same category of fees as the committee has already ruled upon.

Mr. HORNER (*Acadia*): I have asked about twice or three times now, and at all times I was told that the list is being prepared. I do not know whether I can find it in short order in the record.

Mr. OUMET: Mr. Horner, we are preparing the list of people who have come from outside Canada.

Mr. HORNER (*Acadia*): This person came from New York; this is outside Canada.

Mr. OUMET: All right, I misunderstood the intent of your question.

Mr. CHOWN: On evidence filed this morning by the corporation, Mr. Chairman, I have a question on the *C.B.C. Times*. On page 2 of the return it indicates that the gross cost, in French and English, of production is \$412,404. The revenue from subscribers is \$105,246. Therefore the net cost to the taxpayer is \$307,158. Now the free distribution is 12,016. The paid subscribers in French and English are 56,693, so that the total, free and subscribed, for distribution is 68,709. With the general publication of schedules of television and radio that is taking place through the medium of the newspapers and so on, is this tremendous expenditure of \$307,158—

Mr. FISHER: What do you mean by "tremendous", Mr. Chown?

Mr. CHOWN: You can interject any comments you have after I have made the statement. That is what it looks like to me. Is it felt by the C.B.C. that it is necessary? That is the question I am asking.

Mr. OUMET: Of course; if we did not think it was necessary we would not do it. What is the specific criticism you have of the operation?

Mr. CHOWN: My point is that, with the schedules that are now produced by various newspapers and the daily schedule for daily programs that is printed in all newspapers, is this expenditure really necessary? It may be that these are distributed to isolated points where they do not get this information or cannot get it soon enough through weekly newspapers.

Mr. OUMET: It is distributed for many purposes which cannot be served by newspaper listings. Let me ask Mr. Fraser to give you more information on the whole operation.

Mr. FRASER: I think you would understand this answer better if you would look at page 1 of the return. You will find that the free list includes newspapers, both daily and weekly. I might add that the newspapers and columnists derive a great deal of their information from the *C.B.C. Times*. You will note that we describe the *C.B.C. Times* as a consolidated service. Basically it goes out to provide a service to the newspapers, to trade magazines, advertising agencies, and sponsors, and affiliated stations, foreign broadcasting stations, film producers and distributors, members of the staff, and members of parliament who have requested it. It is the only source which reflects all the activities of the cor-



poration and it is used, as I say, extensively by newspapers. I think you will find that in the weekend supplements devoted to weekend television, many items are taken from the *C.B.C. Times*.

Mr. CHOWN: I was not aware of the information that was dealt with in that return.

Mr. FRASER: I might add that the type of service we provide with the *Times* is one for which we would have to incur more cost in doing it in some other way. It is actually cheaper for us to do it in the form of the *C.B.C. Times* than it is to issue it, say, in mimeographed releases, and so on.

Mr. SMITH (*Calgary South*): May I ask Mr. Ouimet one final question with respect to the employment of Mr. Beichman. I am not concerned with his background, his personality as such. I would ask you, Mr. Ouimet, if you are not the first to agree that you have a highly trained and very competent staff in New York, particularly a person who is well able to observe the United Nations scene—and I am drawing this as one illustration—in the person of Mr. Stanley Burke who consistently comments on the activities within the framework of the United Nations, and, of course, generally on foreign policy as a whole. Then you see fit to use a casual contributor to the *Christian Science Monitor* to perform much the same task. I am still asking myself this, and I would ask you, is it considered good practice to employ an individual like that when you have a trained staff member whose significant credential, as far as the corporation is concerned, is that he is a casual contributor to the *Christian Science Monitor* to comment on international affairs? Is it a practice which you think should be followed?

Mr. OUMET: I think I will ask the vice-president to answer you, Mr. Smith, because I was not here when this was asked, in the first place, and I have not investigated it myself. The vice-president, who is responsible for current operations probably can give you the information.

Mr. BRIGGS: I think the answer would be that the normal procedure quite obviously would be to use those who are on our permanent staff. There will be variations and deviations from that under special circumstances, if we feel that a particular person with a specific knowledge of a particular subject might be better qualified, or as is quite often the case, if our own people are engaged or tied up with some other project and cannot handle two things at once.

In the case of this man, he was well known to us, not only because of his association, of course, with the *Christian Science Monitor*, but through his writings in connection with *The Reporter* and *Encounter*, as well as the *Christian Science Monitor*. He was a former assistant managing editor in the newspaper *P.M.* He was press officer for the international federation of free trade unions, and a former overseas columnist of the *New York Post*. He is familiar with Canada, I should say, because of frequent visits here. His wife is a Canadian citizen and he happens to own a summer home in the Okanagan valley. He has once addressed your chamber of commerce at Penticton, I understand.

Mr. SMITH (*Calgary South*): That is a very interesting description of Mr. Beichman. May I come back to the point that the New York correspondents who are full time employees nevertheless were unaware that this program was going to be run?

Mr. BRIGGS: Yes. This program originated at Toronto, not in New York.

Mr. OUMET: May I say that the fact that our New York office might not be aware that we have decided to employ someone else in Toronto, is, I think, not something that we expect our New York office to complain about.

Mr. SMITH (*Calgary South*): That is certainly understandable. I am not commenting on that. The point I am making is that when you could employ

competent people close to the situation, and when they are dealing with a situation especially related to international affairs, you employ for this purpose a man who is a casual contributor to the *Christian Science Monitor*.

Mr. FISHER: What was the matter with this fellow? Was he a lousy broadcaster? This point has been dribbling here for quite a while. Was he on for a couple of hours?

Mr. HORNER (*Acadia*): I think these were three one-hour or half-hour programs.

Mr. SMITH (*Calgary South*): What were the special qualifications of the man for performing the service? This is the point I am making.

Mr. MACDONNELL: By some, this point is considered very humorous. I do not think it humorous. I think Mr. Smith's question is a very sensible one. There is supposed to be a very competent staff there, and yet we suddenly find that an outside man—of high quality and presumably expensive—is engaged for certain services. Then we are told that the New York office should not be interested in this, because it is done in Toronto. This is quite unconvincing to me. I would like to put the point that we, on this committee,—speaking for myself, at any rate, and I am a strong C.B.C. man—are constantly faced with the suggestion that C.B.C. is not as careful about money as it could be. We are asking a very practical question, and it is answered in pure generalities. There is no attempt to suggest in this particular case any reason why this presumably expensive man was appointed. I do not find that humorous. I think it is a practical question and one to which I would like to have an answer. Mr. Smith's question may seem trivial to some other persons, but to me it is a test case, and I would like to have a specific answer.

Mr. E. S. HALLMAN (*Vice-president, Programming, Canadian Broadcasting Corporation*): I would like to comment on this particular presentation by Mr. Beichman. Our policy is to utilize a variety of points of view on significant international issues. In the case of Mr. Burke, we all agree that he is a competent reporter of the United Nations scene, and that is his primary responsibility with the corporation. On the other hand, there may be issues or aspects of international affairs, or United Nations policy in which Canadians are concerned, in which we would like to have for Canadian viewing other points of view. I think it is important that we invite qualified spokesmen who represent a diversity of experience and points of view, to our programs.

Mr. MACDONNELL: We are not informed as to whether we have other competent people outside.

Mr. HALLMAN: He is our United Nations correspondent. We have a representative however, who is Mr. Dunn.

Mr. SMITH (*Calgary South*): I think the whole point boils down to whether Mr. Beichman was qualified or not to discuss the atmosphere in New York, which was the subject of this particular broadcast. You had a competent staff man on the scene, which Mr. Beichman was not, and this is the point of my question.

Mr. PUGH: The term "particular invitation" was used. Was Mr. Beichman approached, or did he say he would like to submit such a program?

Mr. HALLMAN: The normal procedure is for the planners in the network center to invite people whom they think qualified spokesmen, to contribute to the program. The planning is the responsibility of the national supervisor and program organizer.

Mr. PUGH: So that he was approached?

Mr. HALLMAN: Yes, he would be approached.

Mrs. CASSELMAN: You said the reason for having him was that of variety?



Mr. HALLMAN: Yes. Other correspondents have been invited to Background. Anyone who has watched Background each week will note that a number of different correspondents, commentators, academics with varying points of view on a particular issue, have been invited to programs of this kind, providing viewers with background features.

Mr. HORNER (*Acadia*): Another example of this particular idea you have here would be Phillip Dean, condemning Dag Hammarskjold on his program one Sunday afternoon. Would this be another example?

Mr. HALLMAN: I would not wish to comment on your opinion of the program. I think Phillip Dean was invited, obviously, as a correspondent.

Mr. MCCLEAVE: I would ask—

The CHAIRMAN: I think we have washed this pretty thoroughly. I would like to see us get on with finance.

Mr. HORNER (*Acadia*): I have a question on finance and I would like to put it. I would like to know how much the C.B.C. spends on press advertising. We have seen evidence this morning that they spent \$307,000 on advertising under *C.B.C. Times*; but how much money besides this do they spend on advertising in the press, and so on?

Mr. OUMET: When you call *C.B.C. Times* "advertising", I think you are using the word "advertising" very loosely. I think this is information to the listeners and viewers and I do not see how our listeners and viewers would know what programs to look at unless we gave them information as to our schedules. As to how much we spend on straight advertising, I think we can give you that.

Mr. FRASER: In 1959-60 the total was \$133,272.

Mr. HORNER (*Acadia*): This would not include other publications that C.B.C. puts out for information purposes?

Mr. FRASER: No. This would be advertising in newspapers.

Mr. HORNER (*Acadia*): At an earlier meeting Mr. Smith had quite a list of publications that C.B.C. puts out. Would it follow that these publications cost \$307,000 or would this be too much for information services?

Mr. FRASER: The cost of publications will vary from a few hundred dollars to \$1,200, and some of them are published at no net cost to us, as they are sold and the cost is recovered. There is a variety of publications put out. Some are put out, for example, in connection with programs such as the National Farm Radio Forum. This is used as supplementary material by the listening groups, as extension material for broadcasts.

Mr. HORNER (*Acadia*): Can you give some idea as to how many publications they do—is it 25 or 50?

Mr. FRASER: I think 25 would be a close estimate.

Mr. HORNER (*Acadia*): Could the committee have a list of those publications, and the net cost along with them, so that we could see it?

Mr. FRASER: Yes.

Mr. HORNER (*Acadia*): I would assume that on top of this you spend \$133,000 in press advertising?

Mr. FRASER: That is correct.

Mr. CHOWN: I would like some help on the evidence filed this morning from Mr. Oumet. It has to do with the rates paid by C.B.C. to performers, musicians and writers, as provided in their collective agreements. I notice that right through the piece the agreements apparently provide for an hourly rate plus overtime. I am wondering if you are completely precluded from hiring any of this talent directly to the staff of the C.B.C. by the musicians union.



This has to do with finances because, for example, perhaps a pianist on a full-time basis could be used as a full-time employee on a fairly good salary—say \$7,00 or \$8,000 per year, or perhaps that is ridiculously low for that talent; I do not know. Is this at all possible or are you simply precluded across the board from hiring any of this talent which could be used on a daily basis, for example, a pianist or organist, or constantly used for instrumentalists?

Mr. OUMET: We could have staff musicians or staff talent. On the other hand I do not think that we would save any money in doing so. We have looked into this on previous occasions in connection with having our own staff orchestra or choir, or chamber music, and on every occasion we found that it was more costly to do it that way than pay the present rates on a per occasion basis.

Mr. CHOWN: Are there not areas of talent that you are using constantly which could be better employed as part time or full time staff of the C.B.C.? I used the case of the organist as an example. Conceivably, in radio an organist could provide that interlude of quiet music, and so on, and probably alternate between the organ and the piano and could accompany varying artists who are performing.

Mr. OUMET: If you make it specific, in a case such as this, the engagement of an organist on a full time basis, I am not sure that we might not save some money that way. On the other hand, we certainly would not have the variety that we have at the moment.

Mr. CHOWN: I am thinking of the interchanging organist-pianist type. Do you feel that there is talent in both of these fields which is interchangeable?

Mr. OUMET: I think it is better to have the present system. I do not know that it is costing us any more, even in this particular case, and we get variety in addition to a reasonable financial arrangement.

Mr. CHOWN: Is it a fact that these talent unions—I think there are two of them and there are lots of letters necessary to name them—do not boycott you from employing full-time utility talent, or quality utility talent?

Mr. OUMET: If that is what you are looking for, actually it would not achieve your purpose, because these musicians who would be on our staff would have to be members of the unions concerned. If we had any such employment to any extent, then eventually the unions would make sure that there was no great advantage in using staff rather than outsiders.

Mr. CHOWN: I was interested to learn that they would permit you unilaterally to hire utility talent. This is what I am getting at. This utility use of somebody who has got a fairly wide spoke in the musical world, and so on, that you can still do this and still negotiate within staff a salary for that employee on a full time basis.

Mr. OUMET: May I ask Mr. McKee if he has anything to add to what I have already said.

Mr. C. B. MCKEE (*Director of Industrial and Talent Relations, Canadian Broadcasting Corporation*): No, sir. There is no bar to hiring a staff musician.

Mr. CHOWN: Is there any yardstick of comparison of the hourly rates which are being paid to talent as reflected in this return, with the hourly rate paid to the same talent in other countries? Is there any way of making a comparison?

Mr. OUMET: Yes. We, of course, make these comparisons fairly frequently, particularly with the talent used in the United States.

Mr. CHOWN: Is there any sort of return you could prepare and give to us as an indication of that?

Mr. OUIMET: I would like to ask Mr. McKee whether we could have this information?

Mr. MCKEE: We could attempt to provide it.

Mr. CHOWN: It would be useful. I do not want to cover a vast scope of classifications, but I would like you to indicate to the committee that the rates paid by C.B.C. are not driving talent away from the private licensees, because the costs are so high, or over a period of years have grown or have been engaged to a point where this talent is out of reach of private broadcasters.

Mr. OUIMET: I do not think there is any such danger whatsoever. For example, some private stations in Montreal may buy up to a quarter of a million dollars of talent, and you have other stations who may not pay \$2,000 on talent. Therefore, I am sure it is not the rate which is the factor.

Mr. CHOWN: If I could have that information in some form of tabulation from Mr. McKee, I would appreciate it.

Mr. MCCLEAVE: My question is supplementary to that of Mr. Horner, dealing with advertising and the flow of information from the C.B.C. It concerns advertising of itself. I make specific reference to Disneyland, which is frequently sponsored by the C.B.C. itself. Is this a deliberate policy to seize upon a popular show and use that to advertise your other show; or is it merely that the C.B.C. will sponsor where, say, the soap companies, or some other form of companies are not interested in carrying through the whole season?

Mr. OUIMET: I do not know whether I understand your question correctly.

Mr. MCCLEAVE: May I put it this way, then. Why would C.B.C. sponsor on its own network? Why would it sponsor Disneyland on its own network?

Mr. OUIMET: Sponsor Disneyland?

Mr. MCCLEAVE: Yes.

Mr. OUIMET: I think it is because it is not completely sold. It is partially sold. We probably have an alternate sponsor arrangement, so it is half sold, and on the alternate weeks we are carrying it until we get another sponsor. At that time we give the impression of being the sponsor of the show, and we use the commercial time which has to be filled in with promotion of our own programming—or promotion of some charities.

Mr. MCCLEAVE: That is a most satisfactory answer. Thank you very much.

Mr. FISHER: Will we get that statement on Finance?

Mr. OUIMET: Yes, Mr. Fisher. I should have mentioned this at the start. During the discussion of this item at Thursday's meeting, I think I mentioned to you that the board of the corporation had not yet made a thorough study of that matter, but on the other hand, that management had given it a lot of thought. Later on I said I would be very pleased to give you a statement on it. I think I would still like to give you that statement, but if you could wait until after June 5 or June 6, I would be glad. We have an executive committee meeting of the board then, and I could make sure that the statement I will give you reflects not only the traditional thinking of the corporation, but also has had the endorsement of the complete board.

Mr. FISHER: Mr. Chairman, I would like to ask if we may be off on the B.B.G. by then?

The CHAIRMAN: We may be. We have to hear the Auditor General. Therefore, it is not likely.

Mr. FISHER: If we have to wait, I can certainly see the reason for it, but I would have hoped we could have had it before the Auditor General, to set against whatever analysis the Auditor General might make of the present structure of financing—if he has to make one.



Mr. Chairman, have you any idea from the rate at which we are progressing, and from the schedule we have, whether we are going to get to the B.B.G.?

The CHAIRMAN: I certainly hope so. It depends entirely on the committee.

Mr. FISHER: Could we find out from the committee as to their views, as to their sense on the run of importance of these items? I happen to be one who feels it is much more important to get the B.B.G. here since we have had so much time with the C.B.C. I wonder whether all the members of the committee would be interested in having a moratorium on this C.B.C. type of inquiry so that we could turn to have a look at the B.B.G. on these questions which we raised with them on their brief appearance earlier in our sittings.

Mr. SMITH (*Calgary South*): I am sure Mr. Fisher will agree that since this matter has, by motion of Mr. McCleave, been referred to the steering committee, the proper place to discuss it is at a meeting of the steering committee. Mr. Ouimet has given us a very good guide in suggesting that he would like an opportunity to attend to matters in connection with the board of directors meeting. It may well be that this would be a suitable cut-off date, and in that case it would be the proper time to have the board of broadcast governors here. However, all this would be proper for discussion by the steering committee.

Mr. MACDONNELL: I would certainly agree that we want to see the B.B.G. back again. At the same time, this question arises for the steering committee as to whether it would be better to break off now, with the C.B.C. and come back again to them—and I am personally inclined to the C.B.C.—or whether it would be better to do otherwise.

The CHAIRMAN: I would like to see the committee make some larger dent in the agenda. We have not made a very good impression on it.

Mr. MACDONNELL: May we find that our future meetings with C.B.C. would be more fruitful if we have an interjected sitting with the B.B.G. I am only raising that for the steering committee.

The CHAIRMAN: We will consider it at the steering committee meeting.

Mr. SMITH (*Calgary South*): I have a brief question which actually deals with Mr. Ouimet's statement, specifically relating to the football broadcast. May I ask a question in relation to this? It concerns a certain interpretation that Mr. Ouimet placed on the word "mandate".

This is an example of where the B.B.G. would be very useful in commenting on the observations of Mr. Ouimet, here. Mr. Ouimet, you have already been examined in some detail by Mr. McGrath on your interpretation of the mandate, and you make certain references to it in your statement before the committee. I gather that it is your view that the mandate by parliament as such is contained, really, in two sections of the act—section 10, which describes the type of service, and then in somewhat more detail, section 29, which deals with your responsibility under section 10. Is this roughly correct?

Mr. OUIMET: It is practically correct. Our mandate as you call it, our obligations as given to us by parliament, are not all spelled out in the act. They were spelled out over the years by previous parliaments, parliamentary committees and royal commissions. It is the sum total of what is explicit in the act, plus all these other directives that we have received by your predecessors, which constitute what we call the mandate of the corporation.

Mr. SMITH (*Calgary South*): Perhaps you would agree with me, because you have defined this yourself many times, that your responsibility for the mandate is really to parliament and parliament alone—because, after all, a parliamentary committee has only the right to recommend and in the past



quite a number of recommendations have been rejected. Therefore the mandate basically comes from section 29?

Mr. OUIMET: I think section 29 is what it is labelled—it is a list of the powers of the corporation.

Mr. HORNER (*Acadia*): Objects and powers.

Mr. OUIMET: Yes, objects and powers.

Mr. SMITH (*Calgary South*): This is what you gentlemen use as a guide to interpret what your mandate is.

Mr. OUIMET: These are the powers we have to carry out a national service in Canada.

Mr. SMITH (*Calgary South*): That is correct, sir. And I see it defines as to the extent to which you may go. There are some 14 or 15 descriptions of the extent which this mandate, as you describe it, permits you to go. Would you agree with me?

Mr. OUIMET: Yes, I agree this is a list of our powers, and a general description of our object.

Mr. SMITH (*Calgary South*): But this rather loose phraseology of "mandate" you still insist comes from a number of other factors, such as parliamentary committees and royal commissions?

Mr. OUIMET: I think the act itself purposely does not spell out the various things which we have been asked to do. I do not know whether you will recall the words of Mr. Nowlan when this particular bill was introduced in the house, where he was quite emphatic on the point that there was no attempt in the act to spell everything out in detail. I think what you call the mandate of the corporation and what we call our mandate is the sum total of all the prior decisions of parliament and recommendations of parliamentary committee and royal commissions.

Mr. SMITH (*Calgary South*): I do not wish to labour it unduly—but after all this is the whole basis under which you operate this corporation, so it is important. If this is true we must assume that all of the recommendations, both in the Fowler commission and in many of the recommendations contained in this committee in the past, were also part of your mandate; but at the same time, you have not accepted a great many of them. Is this, therefore, your mandate?

Mr. OUIMET: I think it is not the recommendation of a committee in itself which constitutes part of our mandate, but rather that it is the approval explicit or implicit of parliament that makes it our mandate. Every year we go before parliament with our estimates as we have done in the last two or three years. We ask for money to do certain things which are well known to the government and to parliament; and when they approve such things, to me they confirm our own idea of what our mandate is.

Mr. SMITH (*Calgary South*): You and I are getting closer together, somehow. You have agreed now that basically it is parliamentary response to you that determines your mandate. You say you take to parliament requests for grants. I wonder if perhaps this is leading parliament in your own view rather than have parliament establish it. You are saying that because parliament passes X dollars, that is a confirmation of your mandate in definite terms.

Mr. OUIMET: I was not speaking of dollars, I was simply referring to all our various obligations as endorsed by parliament. If we go before parliament and we say that we have heard that next year the public of Canada would like us to give them more coverage, and if we ask for more money for that coverage, and if that money is given, we take it for granted that parliament is endorsing our policy of developing coverage. If we do something with respect

to programming, it is very easy for parliament to see what we are doing now; and if we come before parliament next year and say we would like to improve on what we have got, and if parliament agrees, then this becomes part of our obligation.

Mr. SMITH (*Calgary South*): Would you say that a large part of the interpretation of what you describe as the parliamentary mandate is left with the corporation? That is a very fair question.

Mr. OUIMET: In the first instance, we have the responsibility of making sure that we provide a complete service. Our own interpretation of what a complete service is, is of course, subject to confirmation by parliament itself, or by committees, or royal commissions.

Mr. SMITH (*Calgary South*): We may have some slight disagreement there. You say that the interpretation of this mandate by and large is the responsibility of yourself as president of the corporation, plus the policy of the board?

Mr. OUIMET: In the first instance, within some pretty well established points of reference, which are very numerous and which have been determined by prior parliaments.

Mr. SMITH (*Calgary South*): May I then ask, have you attempted to find any effective alternatives to the method by which you are implementing this mandate? Within your board, have you suggested other ways of achieving the same national service other than in the way you are currently doing it?

Mr. OUIMET: We have thought about it quite frequently, and we have been asked the same question by prior committees and royal commissions. Up to this point we have not found any alternative which would be as good as the one which we have, and which would be any less expensive.

Mr. SMITH (*Calgary South*): You have suggested expense—and this is an interesting point at which to ask this question—you have suggested certain objections to the splitting of networks and to permitting affiliate stations from carrying other than C.B.C. programs. You have stated this objection a number of times in previous meetings and also in this report. You have said it is because you do not want to see the present national system—as you consider it and as a great many do—broken up. In other words, you do not wish to see it destroyed.

Mr. OUIMET: Not so much the national system as the national service.

Mr. SMITH (*Calgary South*): The national service of broadcasting. Then you have gone on to say that you see there could be a deterioration if there is any divided loyalty, that this would destroy this national service.

Mr. OUIMET: This is our opinion.

Mr. SMITH (*Calgary South*): You do not feel that, with the increasing number of transmitting stations and television stations, there is going to be ample scope to have people other than the corporation distribute programs through your affiliates, that this action would also be part of the national service, and that the Canadian public would benefit from this?

Mr. OUIMET: This is certainly desirable and I think quite possible without resorting to the splitting of networks,—and I think, this is perhaps a point which the committee does not know about.

Mr. SMITH (*Calgary South*): The use of tapes?

Mr. OUIMET: We have made it very clear that we encourage the use of Canadian productions from any source whatsoever. Most of these productions are available on tapes. You do not need to have a network in order to exchange programs. Therefore, I think we are at one on this particular point.

Mr. SMITH (*Calgary South*): Well, that remains to be seen, Mr. Ouimet. You have already indicated that the objection which I have mentioned was



to the splitting of the network. Is it also not true that that would provide the type of national service which you hope to achieve, if people other than the corporation could make a contribution to it?

Mr. OUIMET: Yes, we have always agreed that we would welcome contributions to our network by other people.

Mr. SMITH (*Calgary South*): I am going back now to the mandate question again for a moment. In this attempt to obtain a definition, would you prefer to have it more clearly enunciated as to what actual terms the corporation operates under?

Mr. OUIMET: I think it is very clear to us already. We might, if you wish, put it more clearly in detail, in writing, but I think it is very clear.

Mr. SMITH (*Calgary South*): What actually happens is that you take to parliament a request for a grant and you then say that, because this is passed by parliament, it is an endorsement of your mandate. This mandate you say you achieve from previous royal commissions and committees rather than from the statutes of parliament.

Mr. OUIMET: This is the important point of my answer—not the first part that you mentioned. It is not the fact that this year we could have a grant before treasury board that we say we have a certain mandate. It is the sum total of all the decisions made by his nation with respect to its broadcasting system, that were made by parliament, and I think they are clear. They are on the record. If you read all the recommendations of royal commissions and committees and also if you simply consider the development of the corporation itself—what it has done and what it is expected to do—then you have a clear idea of what our mandate is. At least, it is clear to us.

Mr. SMITH (*Calgary South*): This is what worries me. You say what it is expected to do; but if we assume that all the decisions of the Canadian public as you describe them—and this is not restricted to parliament—indicate to you that they expect you to provide a certain coverage, it means that this mandate is so large that the cost to the Canadian taxpayer would be fantastic. It means that any organization or institution would then be contributing to what you describe as your mandate.

Mr. OUIMET: Mr. Smith, I have not talked about what the public expects of us. I have kept entirely to what parliament and parliamentary representatives and royal commission—which are creations of parliament, and parliamentary committees which are also creations of parliament—expect us to do.

Mr. SMITH (*Calgary South*): But you have not accepted all the recommendations of the royal commissions or parliamentary committees, and you will agree with me you have not.

Mr. OUIMET: Some we could not in practice carry out.

Mr. SMITH (*Calgary South*): These are therefore not part of the mandate.

Mr. OUIMET: For the good reason that we could not have carried them out. If we could have carried them out we would have been glad to accept them.

Mr. MACDONNELL: I have a supplementary question to this. I think Mr. Smith and I would agree on what I have to say. When the estimates go before parliament and are passed, with every opportunity to discuss what is being done and for the whole house to be fully informed, my understanding is that, implicit in that, is the approval of those who are asked. Parliament or the committee may not get into the details; but I would like to be clear that when that is passed, it does include a general approval in the way in which those items were made up and the purposes for which the amount is asked. I think Mr. Smith will agree with that.



Mr. McCLEAVE: My question is supplementary to Mr. Smith's question. Perhaps it would be helpful to us as a parliamentary committee if we could have, say, three examples of the recommendations that have been made either by the committee of two years ago or by previous committees, or even by the royal commissions, that the C.B.C. found it on a practical basis impossible to carry out. Perhaps these could be listed, with a brief statement by the C.B.C. as to why this proved to be impracticable.

Mr. OUMET: By the way, I should have mentioned that in certain cases some of these recommendations were found impracticable by the corporation; in other cases apparently they were found impracticable by the government in power because they were not endorsed. So not all the recommendations of all the committees have become part of our obligations, but we would certainly give you some of them right now. The recommendation of the committee of 1959 with respect to football, or the purchase of rights for sporting events, is one that we found very difficult to carry out because it did not seem to be in line with our other obligations to the public in terms of public service. Another one that I can mention is when the committee asked that the corporation have one man who would be responsible for all the programming, all the program production, all the program budgets of the corporation. It seemed to want a man other than the vice-president or the president. We have not been able to carry this out because we had to have three men to do that job; it was too big a job for one man. It is that kind of recommendation that was not practicable. I do not think they are really related to the basic elements of our mandate.

Mr. McCLEAVE: Yes, Mr. Chairman, I think that is satisfactory and I do not think that anyone on the parliamentary committee would claim infallibility for the recommendations we make. But we are at least striving for that goal. Perhaps when Mr. Ouimet comes back another day, he could list two or three more examples. The examples he has given are excellent, and if we had them it would help us of course in any recommendations we make in the future.

Mr. OUMET: We will be pleased to dig out others, although I do not think there were any others from the 1959 committee, as far as I remember.

Mr. FISHER: I would just like to go back to something that was hinted or suggested in shadow by Mr. Ouimet. You are responsible to parliament, that is to this committee; but there was indication in what you said that certain points were not accepted by the government in power. I wonder if we have not, all the way through, been talking in terms of legal fiction in referring to parliament. Parliament does break down to parliament as a whole, a microcosm which is the committee, and you are also left with the executive. I would like you to give us some assessment of the relationship of these various people who are influencing you in so far as your mandate is concerned. If I could express it in the terms Mr. Smith would probably use—his kind of question—could I put it this way: Is it not perhaps true that the fundamental decisions, in so far as carrying out your mandate are concerned, are made by the executive branch of parliament rather than by the committee, or the house as a whole?

Mr. OUMET: I do not think I could agree with that statement in its entirety. I think there are certain deviations of the executive government which affect our ability to carry out certain of our obligations. For example, if in voting the moneys we are not giving the money to provide certain stations in certain parts of the country, our obligations to serve that particular area may not be discharged as a result of it. But generally speaking, as far as I can remember—and I can speak at least for eight years of direct contact with the

governments—there has been no occasion where our mandate, or our obligations as we understood them, have been materially changed by the executive government.

Mr. FISHER: That is fine; but could you also indicate whether the liaison between the C.B.C. board of directors, or the executive members of the board, with the executive—I am thinking of the cabinet and the minister particularly responsible—is constant in so far as your mandate is concerned?

Mr. OUMET: I am glad you mentioned the board because obviously we have not yet talked very much about the role of the board. When I talk about the corporation and the corporation's mandate or the corporation's decision, I am talking about a decision approved by our own board; so the board is always in my thinking in anything I have said. There has not been very much to discuss with respect to our so-called mandate because it has not been in any way in question, as far as I know, for the last two, three, four or five years. The last time the matter was ever discussed previously was at the time of the Fowler commission. Since that time we have had no discussion of our obligations with the government of the day. It has been no problem in this respect.

Mr. FISHER: Could I ask here, so it would be perfectly clear, whether the board of directors as it is presently constituted in personnel is completely different from what the board of directors of the C.B.C. was, say, five years ago?

Mr. OUMET: Yes, it is entirely different in personnel.

Mr. FISHER: The personnel that is now on the board has been entirely put in there by the present government?

Mr. OUMET: It has.

Mr. FISHER: The next question, in relation to this mandate, that I would like to ask you is whether you have new personnel that have been selected by the present executive to advise and guide you directly, and what steps have been taken to provide the members of that board with the background of this thing we call your mandate or your responsibilities?

Mr. OUMET: We have taken many steps, and this is why our board meetings last four days generally, including the program committee meeting, because we review systematically all the policies of the corporation for possible modification or confirmation by the new board.

Mr. FISHER: We have another element to introduce in this, and that is the board of broadcast governors. This is to me one of the reasons why I think we need to talk with the board of broadcast governors. What is the indication so far of any influence they may have on the mandate that you have, and your interpretation of that mandate?

Mr. OUMET: So far the B.B.G. has never indicated that they have any different interpretation than ours, as to what our obligations are.

Mr. FISHER: Mr. Smith has brought in an example here of your position in the football broadcasts. I have seen some letters that have gone out from the board of broadcast governors by Mr. Stewart to various people who have written complaining about the developing situation in the football field. From Dr. Stewart's letters I have gathered the board of broadcast governors feels it is not going to be in a position, or is not in a position, to make any recommendations in regard to this field.

Mr. SMITH (*Calgary South*): Could we see those letters?

Mr. FISHER: I have not got them here but I would certainly let you see them.

Mr. OUMET: I believe that this is correct as of today.



Mr. FISHER: This is an indication that the board of broadcast governors themselves are leaving you to interpret your so-called mandate, or your responsibility rather than dictating to you or directing you in respect of this specific situation?

Mr. OUMET: I think the board of broadcast governors is leaving the operations to the corporation, as long as we stay within their regulations and standards.

Mr. FISHER: I have some more questions, but they are on a different line.

Mr. OUMET: I think an important thing should be brought to the attention of the committee. We have been talking about our mandate, and up to date it is just a word. It seems to be a little abstract to some. It is something very concrete to us. May I very briefly outline what it is, and in doing so we can, of course, express our obligation in many different phrases. However, there is, I think a brief summary in the 1959-60 annual report which I could read in about a minute or maybe less. This appears on page 12 of the message of the president, and states:

The corporation has a mandate from parliament, under the Broadcasting Act, to carry out a national broadcasting service. The corporation believes a national broadcasting service must:

Be a complete service, covering in fair proportion the whole range of programming; bringing things of interest, value, and entertainment to people of all tastes, ages, and interests, and not concentrating on some aspects of broadcasting to the exclusion of others—

—for example, to the exclusion of football—

—link all parts of the country in two ways:

(1) through the inclusion of a wide variety of national and common interests in its program services; (2) by using its physical resources to bring the national program service to as many Canadians as finances allow. Whether Canadians live in remote or heavily-populated areas the national system should serve them as adequately and equitably as possible.

Be predominantly Canadian in content and character,  
—we considered this to be our mandate long before section 10 of the present Broadcasting Act was ever written —

It should serve Canadian needs and bring Canadians in widely-separated parts of the country closer together, contributing to the development and preservation of a sense of national unity.

Serve equitably the two main language groups and cultures, and the special needs of Canada's various geographical regions.

Now this is still fairly condensed and should be elaborated on, but I think it gives the essence of what the corporation has been doing over the years and what we have always thought we were expected to do in the future.

Mr. SMITH (*Calgary South*): If I could interject here, Mr. Oumet, you would not suggest that this should be carried out to the exclusion of any group of stations either in a network or individually competing against you in so far as the national system is concerned?

Mr. OUMET: Not at all; there is nothing we would welcome more than to have a second network develop that would produce Canadian programs of significance, that would serve the country and give an alternative choice of programming to as many people of Canada as possible. The only thing that we are bringing forcibly to your attention is the danger of trying to build the second network at the expense of what has already been built through the cooperation of not only public enterprise but also private enterprise, with



public funds over many, many years. You already have something which is an instrument of national purpose, which is linking the whole country together. Keep that intact and then build from there. Do not take away from what is already existing because you will end up with two incomplete services instead of one complete service, plus the supplementary value of a second network that has yet to develop.

Mr. McCLEAVE: Hallelujah! Let us adjourn.

Mr. SMITH (*Calgary South*): Your statement is a matter of opinion. May I ask you: could it not be done in cooperation with the same group of people? In other words, you say "let us build a second network, provided it does not utilize any of our affiliates".

Mr. OUMET: No; if they have any programs which our affiliates want to have, they can exchange them on tape. The only problem comes on the electronic section of the network, and that will apply only when the second network is trying to get our affiliates at the expense of C.B.C. stations, when they are trying to break down the C.B.C. network for the cream of the commercial operations, such as football or hockey.

Mr. SMITH (*Calgary South*): You have exaggerated this, I suggest.

Mr. FISHER: I disagree.

Mr. OUMET: I would like to see this discussed.

Mr. CHOWN: On a simple question concerning production of information. I am always coming in at the tail end, putting the staff of the C.B.C. to work. I would like to know the number of married couples who are regularly employed—that is both spouses—by the corporation. I would like leave from the committee—and if this is impossible Mr. Ouimet will say so—to include in the minutes a series of questions that I dictated which require the production of information, not complex information but just simple information, so they can now start to prepare the material.

Mr. McCLEAVE: Will that spice up our proceedings?

Mr. OUMET: You want a list of married couples working where both husband and wife are working in the corporation?

Mr. CHOWN: Just the number.

Mr. FISHER: What about father and son?

Mr. OUMET: This is something we can find out for you.

Mr. SMITH (*Calgary South*): You suggested you wanted to consult with your executive committee before you provide the committee with the five-year projection. Do I understand you have certain objections to giving the committee this information, which you did not register when we asked for it at the last committee meeting?

Mr. OUMET: It is simply that I want to give you the latest possible projection, the most up to date projection. The one we have is already a year old and I would rather have a new one cleared by the whole board before submitting it to you.

Mr. SMITH (*Calgary South*): You are very helpful, thank you.

Mr. CHOWN: Have I leave from the committee to incorporate these questions in the minutes of today's meeting?

The CHAIRMAN: Mr. Chown will submit these in writing to the chairman.

Mr. McCLEAVE: I suggest this is a new procedure. Submit them to the steering committee so we know where we are going, otherwise we will have a *Hansard* that will look like Orders of the Day in the house.

Mr. CHOWN: Actually they are brief.

The CHAIRMAN: I will bring them before the steering committee.

## APPENDIX "A"

## CANADIAN BROADCASTING CORPORATION

## LIST OF LEGAL FIRMS PAID FEES

FOR THE YEAR ENDED MARCH 31, 1960

Liverpool, Nova Scotia	W. S. Kennedy Jones
Halifax, Nova Scotia	McInnes, Cooper, Robertson
Moncton, New Brunswick	M. J. Elslinger
Montreal, Quebec	Brais, Campbell, Mercier & Leduc Raymond Caron John Filion, Q.C. Louis P. Gagnon Gauthier Dansereau Hyde & Ahearn Leroux & Gay Justice A. Montpetit
Ottawa, Ontario	Gowling, MacTavish, Osborne & Henderson Hughes, Laishley, Mullen & Kelly
Toronto, Ontario	H. Brooke Bell, Q.C. John W. Brooke, McCarthy & McCarthy Campbell, Dean & Lyons John R. Campbell Donald Guthrie, Q.C. Smith, Ray, Greer W. B. Williston, Fasken, Robertson, Pickup & Calvin
Vancouver, British Columbia	DeVooht & Levis W. Chandler Thomson Tysoe, Harper, Gilmour, Guy.

May 29, 1961.

## APPENDIX "B"

## "CBC TIMES"

"CBC Times" is a consolidated information source distributed *free of charge* to all publicity media representatives, business associates, organizations and individuals with which the Corporation co-operates in planning programs, as well as to CBC staff. The free list includes: newspapers (daily, weekly), columnists, trade magazines, advertising agencies and sponsors, affiliated stations, foreign broadcasting organizations, film producers and distributors, members of staff and Members of Parliament and Senators who have requested it.

The cost of printing and distributing extra copies to individual subscribers is recovered from the subscription rate charged for the service.

As of December, 1960 some 68,700 individuals and organizations were receiving "CBC Times" on a weekly basis.

## Costs 1959-60

	Gross Cost*	Revenue	Net Cost
"CBC Times" (English) (3 editions—52 issues per year) ....	\$287,184	\$ 75,052	\$212,132
"La Semaine à Radio-Canada" (French) .....			
(1 edition—52 issues per year) ....	125,220	30,194	95,026
TOTAL .....	<u>\$412,404</u>	<u>\$105,246</u>	<u>\$307,158</u>

\*Gross cost includes: printing and distribution, salaries and occupancy.

## DISTRIBUTION—December 30, 1960

	Free (inc. staff)	Paid	Total
"CBC Times" (English) .....	7,518	45,614	53,132
"La Semaine à Radio-Canada" (French) .....	4,498	11,079	15,577
TOTAL .....	<u>\$ 12,016</u>	<u>\$ 56,693</u>	<u>\$ 68,709</u>



APPENDIX "C"

RATES PAID BY CANADIAN BROADCASTING CORPORATION  
TO PERFORMERS, MUSICIANS AND WRITERS  
AS PROVIDED FOR IN THEIR COLLECTIVE AGREEMENTS

PART I

CANADIAN COUNCIL OF AUTHORS AND ARTISTS

TELEVISION  
ON-CAMERA RATES

Principal Performers

Length of Telecast	Minimum Guarantee	Included Rehearsal
15 mins. or less.....	\$28.50	4 hours
Over 15 mins. up to and incl. 30 mins.....	57.25	6 hours
Over 30 mins. up to and incl. 45 mins.....	62.75	6 hours
Over 45 mins. up to and incl. 60 mins.....	68.25	6 hours

For each additional 15 minutes over 60 minutes, an additional \$11.00 fee is paid, with no added rehearsal.

Announcers

Length of Telecast	Minimum Guarantee	Included Rehearsal
15 mins. or less.....	\$28.50	4 hours
Over 15 mins. up to an incl. 30 mins.....	57.25	4 hours
Over 30 mins. up to and incl. 45 mins.....	62.75	4 hours
Over 45 mins. up to an incl. 60 mins.....	68.25	4 hours

For each additional 15 minutes over 60 minutes, an additional \$11.00 fee is paid, with no added rehearsal.

Singers

Number of Performers	1	2	3	4	5-8	9 & Over	
Length of Telecast	Minimum Guarantee per Performer						Included Rehearsal
15 mins. or less.....	\$28.50	\$27.50	\$26.50	\$25.25	\$24.25	\$22.00	4 hours
Over 15 mins. up to and incl. 30 mins.....	57.25	55.00	52.75	50.50	48.50	44.00	6 hours
Over 30 mins. up to and incl. 45 mins.....	62.75	59.50	56.00	52.75	49.50	46.25	6 hours
Over 45 mins. up to and incl. 60 mins.....	68.25	65.00	61.50	58.25	55.00	51.75	6 hours
Each ¼ hr. beyond 60 mins....	11.00	10.00	8.75	7.75	6.50	4.50	—

*Puppeteers*

Length of Telecast	Minimum Guarantee	Included Rehearsal
15 mins. or less.....	\$35.25	4 hours
Over 15 mins. up to and incl. 30 mins.....	57.25	6 hours
Over 30 mins. up to and incl. 45 mins.....	68.25	6 hours
Over 45 mins. up to and incl. 60 mins.....	71.50	6 hours

For each additional 15 minutes over 60 minutes, an additional \$11.00 fee is paid, with no added rehearsal.

*Dancers*

Number of Performers	1-2	3	4	5-8	9 & Over	
Length of Telecast	Minimum Guarantee					Included Rehearsal
15 mins. or less.....	\$35.25	\$33.00	\$30.75	\$27.50	\$25.25	4 hours
Over 15 mins. up to and incl. 30 mins..	51.75	49.50	47.25	44.00	40.75	8 hours
Over 30 mins.....	57.25	55.00	52.75	48.50	44.00	12 hours

*Specialty Acts*

	Minimum Guarantee	Included Rehearsal
One-Performer Act.....	\$123.25	4 hours
Two-Performer Act.....	158.50	4 hours
Three-Performer Act.....	215.50	4 hours
Four-Performer Act.....	300.25	4 hours

For performances comprising more than four performers, the minimum guarantee shall be \$300.25 plus \$60.50 for each performer in excess of four.

*Bit Player*

(Including Model required to do special business or use his or her services as a Model)

	Minimum Guarantee	Included Rehearsal
	50% of Principle Performer minimum guarantee	One-half that for Principle Performer

*Supernumeraries*

(Including Model engaged for background use and requiring no special business, characterizations or costume change)

Length of Telecast	Minimum Guarantee	Included Rehearsal
30 minutes or less.....	\$17.50	4 hours
31 minutes or over.....	23.00	4 hours

*Chorus Performer*

Number of Performers	2	3	4	5-8	9 & Over	
Length of Telecast	Minimum Guarantee					Included Rehearsal
15 mins. or less.....	\$47.00	\$44.50	\$42.00	\$38.75	\$35.50	4 hours
Over 15 mins. up to and incl. 30 mins.....	80.00	76.75	73.50	69.25	63.50	7 hours
Over 30 mins. up to and incl. 60 mins.....	91.50	87.50	83.25	77.50	71.75	9 hours
Each $\frac{1}{4}$ hour over 60 mins...	11.50	10.75	10.00	8.25	5.75	

## PERFORMERS ON DRAMATIZED COMMERCIAL MESSAGES

*Speaking Parts*—Announcer minimum guarantee and included rehearsal.*On Camera Silent*—Bit Player minimum guarantee and included rehearsal.*Voice Over*—Appropriate off-camera rates.

## OFF-CAMERA RATES

*Performers*

Length of Telecast	Minimum Guarantee	Included Rehearsal
15 mins. or less.....	\$23.00	1 hour
Over 15 mins. up to and incl. 30 mins.....	32.50	3 hours
Over 30 mins. up to and incl. 45 mins.....	38.00	3 hours
Over 45 mins. up to and incl. 60 mins.....	44.50	4 hours

*Announcers*

Length of Telecast	Minimum Guarantee	Included Rehearsal
15 mins. or less.....	\$23.00	1 hour
Over 15 mins. up to and incl. 30 mins.....	38.50	2 hours
Over 30 mins. up to and incl. 45 mins.....	47.25	2 hours
Over 45 mins. up to and incl. 60 mins.....	57.25	3 hours

*Singers*

Number of Performers	1	2	3	4	5-8	9 & Over	
Length of Telecast	Minimum Guarantee per Performer						Included Rehearsal
15 mins. or less.....	\$32.50	\$28.00	\$26.50	\$25.25	\$19.25	\$15.50	1½ hour
Over 15 mins. up to and incl. 30 mins.....	38.50	35.25	33.50	32.50	25.25	22.00	2 hours
Over 30 mins. up to and incl. 60 mins.....	50.50	46.75	45.75	44.50	38.50	35.25	3 hours

For each additional 15 minutes over 60 minutes, an additional \$11.00 fee is paid, with no added rehearsal for all above categories.

## GENERAL

All Performers shall be paid for extra rehearsal at the rate of \$5.50 per hour in all categories. Extra rehearsal shall be paid for in segments of  $\frac{1}{2}$  hour.



## WRITERS-RATES

*Original Drama and Book Shows*

15 minutes.....	\$175.00
30 minutes.....	350.00
60 minutes.....	850.00
90 minutes.....	1,000.00
Over 90 minutes.....	1,125.00

*Adaptations*

## (a) From Material Not in Dramatic Form:

15 minutes.....	\$ 150.00
30 minutes.....	225.00
60 minutes.....	625.00
90 minutes.....	750.00
Over 90 minutes.....	875.00

## (b) From Material Already in Dramatic Form:

15 minutes.....	\$ 75.00
30 minutes.....	125.00
60 minutes.....	315.00
90 minutes.....	375.00
Over 90 minutes.....	440.00

## (c) Continuity with Research, Dramatic Bridging and Adjusting, Vignettes (Blackouts, Skits, Sketches, Dramatized Inserts for Drama, Features, Children's Program, etc.):

15 minutes.....	\$ 50.00
30 minutes.....	75.00
60 minutes.....	150.00
90 minutes.....	225.00
Over 90 minutes.....	300.00

*Documentary*

- (a) Where the substantial part of the material is provided by the writer, the schedule of rates for Original Dramatic Material shall be operative and applicable.
- (b) Where the substantial part of the material is provided by the Corporation, the schedule of rates for Adaptations (b) shall be operative and applicable.
- (c) In the case of documentary scripts, the writer may agree to surrender copyright upon payment of not less than an additional 100% of the applicable minimum rate.

*Variety (Original Writing)*

	One Writer	Two Writers (Each Receives)
15 minutes.....	\$ 100.00	60% of 1 writer's fee
30 minutes.....	150.00	60% of 1 writer's fee
60 minutes.....	300.00	60% of 1 writer's fee
90 minutes.....	350.00	60% of 1 writer's fee
120 minutes.....	400.00	60% of 1 writer's fee

*Three Writers (Each Receives)*

15 minutes.....	50% of 1 writer's fee
30 minutes.....	50% of 1 writer's fee
60 minutes.....	50% of 1 writer's fee
90 minutes.....	50% of 1 writer's fee
120 minutes.....	50% of 1 writer's fee

*Four or More Writers (Each Receives)*

15 minutes.....	40% of 1 writer's fee
30 minutes.....	40% of 1 writer's fee
60 minutes.....	40% of 1 writer's fee
90 minutes.....	40% of 1 writer's fee
120 minutes.....	40% of 1 writer's fee

RADIO

RATES

Performers  
(Excluding Singers)

Program Length	Included Rehearsal	Guaranteed Minimum
5 minutes.....	1 hour	\$13.00
$\frac{1}{4}$ hour.....	1 hour	19.00
$\frac{1}{2}$ hour.....	3 hours	26.00
1 hour.....	4 hours	36.00

Singers Only

Number of Performers	1	2	3	4	5-8	9 & over	Included Rehearsal
6 to 15 mins.....	\$26	\$23	\$22	\$21	\$16	\$13	1½ hours
16 to 30 mins.....	31	28	27	26	21	18	2 hours
31 to 60 mins.....	41	38	37	36	31	28	3 hours

GENERAL

Programs over 60 minutes: If a program runs in excess of 60 minutes, the excess shall be computed at \$5.00 per 15 minutes or part thereof with no increase in amount of included rehearsal.

Rehearsal: Extra rehearsal in all cases shall be paid at \$1.25 per quarter hour.

WRITERS-RATES

Original Dramatic Material

- (a) *Skills, Sketches and Dramatic Monologues*
  - 3-6 minutes..... \$20.00—\$35.00
  - 6-10 minutes..... 35.00— 60.00
  - over 10-15 minutes..... 70.00—125.00
- (b) *Drama*
  - 15 minutes..... \$70.00—\$125.00
  - 30 minutes..... 150.00— 300.00
  - 60 minutes..... 400.00— 600.00
  - 90 minutes and over..... 600.00— 850.00
- (c) *Drama*—requiring use of research material. Schedule of rates as for original dramatic material shall apply with an additional fee for research to be decided by individual negotiation. (See “Research Material” ahead).
- (d) *Serial Dramas*
  - Up to 10 minutes..... \$ 30.00—\$47.50
  - 15 minutes..... 50.00— 90.00
  - 30 minutes..... 100.00— 200.00
  - 60 minutes..... 225.00— 350.00

Adaptations

- (a) From material not in dramatic form
  - 15 minutes..... \$60.00—\$100.00
  - 30 minutes..... 125.00— 225.00
  - 60 minutes..... 275.00— 450.00
  - 90 minutes and over..... 450.00— 650.00
- (b) From material already in dramatic form
  - 15 minutes..... \$ 50.00
  - 30 minutes..... 100.00
  - 60 minutes..... 230.00
  - 90 minutes..... 330.00
- (c) *Serial Adaptations*
  - Up to 10 minutes..... \$ 20.00—\$ 35.00
  - 15 minutes..... 40.00— 80.00
  - 30 minutes..... 90.00— 180.00
  - 60 minutes..... 200.00— 325.00

*Documentary*

- (a) Where substantial part of material is provided by writer, schedule of rates as for original dramatic material shall apply.
- (b) Where a substantial part of the material is provided by the Corporation, schedule of rates as for Adaptations (b) shall apply.

*Continuity*

- (a) Simple linking per running minute of program—\$1.00—\$2.00
- (b) Lingering requiring research and/or dialogue, per running minute of program—\$2.00—\$5.00

On programs of more than half an hour where continuity is not used throughout running length of program, such continuity may be purchased in 15-minute units.

*Short Stories (Unpublished)*

- Up to 15 minutes—\$65.00—\$140.00
- Over 15 to 30 minutes—\$115.00—\$200.00

*Poetry (Unpublished)*

- \$4.00 per minute, or by negotiation

*Research Material*

- To be decided in individual negotiation with researcher.

*Translations*

- The rates for adaptations (a) shall apply.

## PART 2

AMERICAN FEDERATION OF MUSICIANS OF THE  
UNITED STATES AND CANADA

## TELEVISION

## SCHEDULES OF MINIMUM BASIC FEE

## SCHEDULE "A"

## MINIMUM BASIC FEE—MISCELLANEOUS PROVISIONS

## A.1 Accompanist for Auditions

(a) For vocalist, dramatic presentation, etc., \$10.00 per one half hour. Overtime, \$5.00 per quarter hour or any fraction thereof. Minimum one hour rehearsal.

(b) Pianist alone for accompaniment of continuous auditions \$10.00 for the first hour, thereafter \$5.00 per one half hour or fraction thereof. Minimum two hour rehearsal.

## A.2 Harpists

Harpists on auditions, rehearsals and television broadcasts and all other engagements covered by this agreement shall be paid at the rate of 50% above the total minimum basic fee for a sideman playing a similar engagement.

## SCHEDULE "B"

## MINIMUM BASIC FEE FOR REHEARSALS FOR BROADCASTS

B.1 Rehearsal Pianist, two hour minimum, \$25.00; overtime, \$6.25 per half hour or fraction thereof.

B.2 Sideman, \$12.50 for two hour minimum; overtime, \$3.15 per one half hour; \$1.55 per quarter hour or any fraction thereof. The fee for quarter hour applies only after two hours' rehearsal.

B.3 Leader or Conductor, \$25.00 per two hour minimum; overtime, \$6.25 per half hour; \$3.15 per quarter hour or any fraction thereof. The quarter hour rate shall apply only after two hours' rehearsal.



B.4 Any rehearsals called between midnight and 8 A.M., double the fees referred to in this Schedule "B".

B.5 Rehearsals held in whole or in part on Sunday must be paid for at double the rate listed in this Schedule "B", unless the broadcast takes place on the same day.

B.6 Rehearsals held on the following statutory holidays shall be paid for at double the rate listed in this Schedule "B":

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

## SCHEDULE "C"

### MINIMUM BASIC FEE FOR BROADCASTS

C.1 Sideman. \$16.00 per half hour or any fraction thereof. For each additional fifteen minutes or less, \$8.00.

C.2 Leader or Conductor. Double the sideman's fee plus an additional \$3.00 for each sideman in the orchestra over ten in number.

C.3 Playing Contractor. When required, 50% over sideman's basic fee, including rehearsals.

C.4 Steward. 10% over sideman's basic fee, including rehearsals.

C.5 Pianist, Organist or Other Instrumental Soloist. Rehearsal as required, \$6.25 per half hour or fraction thereof.

Broadcasts: \$69.80 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$126.25 per half hour, including one hour rehearsal immediately before the broadcast. The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

C.6 Accompanist for Soloist in Item C.5 or Vocal Soloist. Rehearsal as required, \$3.15 per half hour or fraction thereof.

Broadcast: \$41.60 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$63.15 per half hour, including one hour rehearsal immediately before the broadcast. The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

C.7 Featured Soloists. Must be paid 50% over the total sideman's fee for the broadcast, including rehearsals, and shall be named during the broadcast.

C.8 Vocal Soloist Playing Own Accompaniment. \$86.25 per half hour or less, including one half hour rehearsal.

C.9 When a broadcast takes place either live or by means of a television recording produced under Article 6, in whole or in part between midnight and 8:00 A.M., or on any of the following statutory holidays:

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

Musicians taking part in such broadcasts shall be paid at double the rates in this Schedule "C".

### C.10 SIDELINE MUSICIANS

C.10.1 Calls cancelled on account of weather. When sideline musicians are ordered to and do report and are then dismissed on account of weather conditions which preclude the television recording from taking place, musicians so dismissed shall be paid \$12.50; leader, double.

#### C.10.2 Sidemen.

C.10.2.1 Minimum for any call (except as otherwise herein specified), \$35.00

C.10.2.2 Consecutive work hours between 8:00 A.M. and 6:00 P.M., \$4.00 per hour or any fraction thereof.

C.10.2.3 Consecutive work hours after 6:00 P.M., \$6.50 per hour or any fraction thereof.

C.10.2.4 When a minimum of \$35.00 is earned, excess is to be paid as follows:

- (a) before 6:00 P.M., \$4.00 per hour or any fraction thereof;
- (b) overtime after 6:00 P.M. up to 10 minutes, \$3.50;
- (c) overtime after 6:00 P.M. in excess of 10 minutes, \$6.50 per hour or fraction thereof.

#### C.10.3 Leader, double the sideman's fee.

Playing Contractor, when required, 50% over sideman's basic minimum fee, including rehearsals.

Steward, 10% over sideman's basic minimum fee, including rehearsals.

C.10.4 Single musician, subject to the above schedule of hours, \$45.00.

C.10.5 Traveling time, \$4.25 per hour; leader, double.

C.10.6 Sundays and Holidays. All work taking place in whole or in part on Sunday or on any of the statutory holidays following:

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

shall be paid for at double the rates in this schedule "C".

### SCHEDULE "D"

#### MINIMUM BASIC FEE FOR MUSICIANS ENGAGED TO PLAY FOR THE ENTERTAINMENT OF A LIVE AUDIENCE

D.1 Sideman. \$4.50 for the first half hour or less, thereafter \$2.25 for each additional fifteen minutes or less. Item D.1 is in addition to the fee for the broadcast itself, which shall be paid for in accordance with Schedule "C".

D.2 Leader or Conductor. Shall be paid at double the rate specified for a sideman under Item D.1. Item D.2 is in addition to the fee for the broadcast itself, which shall be paid in accordance with Schedule "C".

D.3 When a broadcast or television recording takes place in the presence of an audience, any time during which musicians are required to perform prior to or after the actual broadcast shall be paid for at the rate applicable to a broadcast as set out in Schedule "C", in addition to the payment for the time of the broadcast itself, which shall be paid for in accordance with Schedule "C".

## SCHEDULE "E"

## MINIMUM BASIC FEE FOR COPYING

E.1 Orchestra parts, with no transposition from Concert score, averaging five measures to a stave, 50 cents per page until March 31, 1961; 52½ cents per page to March 31, 1962; 55 cents per page until March 31, 1963.

E.2 Divisi Parts. When 50% of the part is divisi, 75 cents per page.

E.3 Piano, Harp, Organ, Celeste, Accordion, Guitar or Banjo and Similar Instruments. With full chords, \$1.00 per page; where chord symbols only are used, 55 cents per page; piano with melody cued, in small notes, \$1.05 per page.

E.4 Solo Piano, Celeste and Similar Instruments—\$1.40 per page.

E.5 Extracting from conductor's condensed score or figured bass where there are more than three parts per line, 60 cents per page.

E.6 Single Vocal Parts with words, 75 cents per page; per voice extra an additional 25 cents; when divisi exceeds 50% it is to be computed as an extra voice.

E.7 Piano and Vocal part with words, three staff lines, \$1.60 per page.

E.8 Conductor's Part, single or double staves, \$1.25 per page.

E.9 Piano Conductor Parts, three staves, \$2.45 per page; extra stave or fraction thereof, 24 cents per stave.

E.10 Single Staff Lead Sheet with harmony chords cued (not words or lyrics), \$1.10 per page; extra staves or fraction thereof, 15 cents per stave.

E.11 Conductor's Lead Sheet (single stave), not words or lyrics, \$1.10 per page; extra staves or fraction thereof, 15 cents per stave.

E.12 Piano or Conductor's Part constructed from a score, \$2.45 per page; extra staves or fraction thereof, 24 cents per stave.

E.13 Voice Part for Choral Works, 60 cents per page; each additional voice part, 35 cents extra.

E.14 Time Work. Additions, alterations, corrections, printing or running off copies or other time work shall be charged for at the rate of \$3.75 per hour or fraction thereof.

E.15 Any copying required to be done after midnight and before 9:00 A.M. shall be paid for at double the fees set out in this Schedule "E".

E.16 Staff or House Copyists employed by the Corporation working thirty-six hours per week shall be paid a minimum of \$94.00 per week; overtime, \$1.90 per half hour or fraction thereof.

E.17 Writing in lyrics in part, 35 cents per page additional.

E.18 Numbering every measure on any or all parts, 15 cents per page, where required by the Corporation.

E.19 Duplicating of scores note for note shall be paid for at the rate of 55 cents per page.

E.20 Classical or concert symphonic piano parts condensed from score, \$2.10 per page.

E.21 Professional sales and song piano parts, \$1.25 per page.

E.22 Minimum Payment. A copyist engaged by the Corporation or its servants or agents shall be paid not less than \$10.00 for the first four hours. If the basic minimum fees elsewhere in this Schedule "E" do not reach this minimum of \$10.00, then the copyist shall be paid such additional amount as may be necessary to reach the said minimum of \$10.00.



## SCHEDULE "F"

## MINIMUM BASIC FEE FOR SCORING, ARRANGING, ORCHESTRATING AND VOICING

## F.1 Instrumental Parts

F.1.1 Not more than 8 parts of which 1 only may be a double stave part, \$1.65 per score page.

F.1.2 For more than 8 parts but not more than 12 parts of which 1 only may be a double stave part, \$2.45 per score page.

F.1.3 For more than 12 parts but not more than 15 parts of which 1 only may be a double stave part, \$2.90 per score page.

F.1.4 For more than 15 parts but not more than 18 parts of which not more than 2 may be double stave parts, \$3.30 per score page.

F.1.5 If a score contains more than 18 parts, the first 18 parts shall be paid for according to Item F.1.4; additional single stave parts in excess of 18 shall be paid for at 30 cents per score page.

F.1.6 For double stave parts in addition to those provided for in F.1.1 to F.1.5 inclusive, 35 cents additional per score page.

F.2 For taking down the melody and making a lead sheet with harmony cued in, \$4.15 per page.

F.3 Condensing an orchestral score for piano solo, \$4.35 per page.

F.4 Orchestration from Complete Sketch:

(a) Single stave parts, \$1.50 per page.

(b) Double stave parts, \$3.05 per page.

F.5 Vocal Parts. For not more than 4 parts, \$3.00 per score page; for more than 4 parts, \$4.50 per score page; with piano accompaniment, \$1.65 per score page additional.

F.6 Consultation Time. All time over and above the free time provided for in Article 19.6 (of the Television Agreement) shall be paid for at the rate of \$10.50 per hour or any fraction thereof.

F.7 All work required to be done between midnight and 8:00 A.M. shall be paid at double the rate as provided for in this Schedule "F".

F.8 Timing Fee for Advance Recordings. For timing visual portion of an advance recording for the purposes of preparing a score, arrangement or orchestration, \$10.50 per hour or any fraction thereof.

## SCHEDULE "G"

## MINIMUM BASIC FEE FOR COMPOSING

G.1 Composing incidental music, 8 cents per bar for each different instrumental parts computed from the total number of bars in the score; minimum for each 16 bars or less, \$15.00.

G.2 Vocal composition from two to four voices, 30 cents per bar; extra voices, 5 cents per bar per voice.

G.3 Timing Fee for Advance Recordings. For timing visual portion of an advance recording for the purpose of composing the musical portion thereof, \$10.50 per hour or any fraction thereof.

## RADIO

## SCHEDULES OF MINIMUM BASIC FEES

## SCHEDULE "A"

## MINIMUM BASIC FEE—MISCELLANEOUS PROVISIONS

## A.1 Accompanists

## For Auditions

- (a) For vocalist, dramatic presentation, etc., \$10.00 per one half hour; overtime, \$5.00 per fifteen minutes or fraction thereof; minimum one hour rehearsal.
- (b) Pianist alone for accompaniment of continuous auditions, \$10.00 for the first hour; thereafter, \$5.00 per half hour or fraction thereof; minimum two hour rehearsal.

## A.2 Harpists

Harpists on auditions, rehearsals and broadcasts and all other engagements covered by this agreement shall be paid at the rate of 50% above the total minimum basic fee for sidemen playing a similar engagement.

## A.3 Disc Jockey (When a Member)

For not more than twenty-four hours per week, which includes preparation and rehearsal, \$140.00 per week; overtime, \$30.00 per hour or fraction thereof.

## SCHEDULE "B"

## MINIMUM BASIC FEE FOR REHEARSALS FOR SUSTAINING RADIO BROADCASTS

B.1 Rehearsal Pianist. Two hour minimum \$21.00, overtime \$5.25 per one half hour or fraction thereof.

B.2 Sideman. \$10.50 for the two hour minimum; overtime, \$2.65 per half hour; \$1.30 per quarter hour or fraction thereof. The fee for quarter hours applies only after two hours' rehearsal.

B.3 Leader or Conductor. \$21.00 for the two hour minimum; overtime, \$5.25 per half hour; \$2.65 per quarter hour or any fraction thereof. The quarter hour rate shall apply only after two hours' rehearsal.

B.4 Any rehearsals called between midnight and 8:00 A.M., double the fees in this Schedule "B".

B.5 Rehearsals held in whole or in part on Sunday must be paid for at double the rate listed in Schedule "B" unless the broadcast takes place on the same day.

B.6 Rehearsals held in whole or in part on the following statutory holidays shall be paid for at double the rate listed in Schedule "B".

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

## SCHEDULE "C"

## MINIMUM BASIC FEE FOR REHEARSING FOR COMMERCIAL BROADCASTS

C.1 Rehearsal Pianist. Two hour minimum, \$26.30; overtime, \$6.60 per one half hour or fraction thereof.

C.2 Sideman. \$13.15 for the two hour minimum; overtime, \$3.30 per one half hour; \$1.65 per quarter hour. The fee for quarter hours applies only after two hours' rehearsal.

C.3 Leader or Conductor. \$26.30 for the two hour minimum; overtime, \$6.60 per one half hour; \$3.30 per quarter hour. The fee for quarter hours applies only after two hours' rehearsal.

C.4 Any rehearsals called between midnight and 8:00 A.M., double the fees in this Schedule "C".

C.5 Rehearsals held in whole or in part on Sunday must be paid for at double the rate listed in this Schedule "C" unless the broadcast takes place on the same day.

C.6 Rehearsals held in whole or in part on the following statutory holidays shall be paid for at double the rate listed in this Schedule "C":

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

## SCHEDULE "D"

## MINIMUM BASIC FEE FOR SUSTAINING NETWORK BROADCASTS

D.1 Sideman. \$11.00 per half hour or any part thereof. For each additional fifteen minutes or less, \$5.50.

D.2 Leader or Conductor. Double the sideman's fee plus an additional \$2.00 for each sideman in the orchestra over ten in number.

D.3 Pianist, Organist or Other Instrumental Soloist.

Rehearsal as required, \$5.25 per half hour or fraction thereof.

Broadcast. \$50.00 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$87.50 per half hour, including one hour rehearsal immediately before the broadcast.

The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

D.4 Accompanist for Soloist in Item D.3 or Vocal Soloist.

Rehearsal as required, \$2.65 per half hour or fraction thereof.

Broadcast. \$30.00 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$46.50 per half hour, including one hour rehearsal immediately before the broadcast.

The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

D.5 Featured Soloists. Must be paid 50% over the total sideman's fee for the broadcast including rehearsals, and shall be named during the broadcast.

D.6 When a sustaining network broadcast takes place either live or by means of a recording produced under Article 7, in whole or in part between midnight and 8:00 A.M., or on any of the following statutory holidays:

- (a) New Year's Day



- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

musicians taking part in such broadcasts shall be paid at double the rates in Schedule "D".

D.7 Vocal Soloist Playing Own Accompaniment, \$46.50 per half hour or less, including one half hour rehearsal.

#### SCHEDULE "E"

##### MINIMUM BASIC FEE FOR COMMERCIAL NETWORK BROADCASTS

E.1 Sideman. \$13.75 per one half hour or any fraction thereof. For each additional 15 minutes or less, \$6.90.

E.2 Leader or Conductor. Double the sideman's fee plus an additional \$2.00 for each sideman in the orchestra over 10 in number.

E.3 Pianist, Organist, or Other Instrumental Soloist.

Rehearsal as required, \$6.60 per half hour or fraction thereof.

Broadcast. \$62.50 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$109.40 per half hour, including one hour rehearsal immediately before the broadcast.

The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

E.4 Accompanist for Soloist in Item E.3 or Vocal Soloist.

Rehearsal as required, \$3.30 per half hour or fraction thereof.

Broadcast. \$37.50 per quarter hour, including one half hour rehearsal immediately before the broadcast; \$58.15 per half hour, including one hour rehearsal immediately before the broadcast.

The rehearsals referred to above must be continuous, otherwise the two hour minimum call shall apply.

E.5 Featured Soloists. Shall be paid 50% over the total sideman's fee for the broadcast including rehearsals, and shall be named during the broadcast.

E.6 When a commercial network broadcast takes place either live or by means of a recording produced under Article 7 in whole or in part between midnight and 8:00 A.M., or on any of the following statutory holidays:

- (a) New Year's Day
- (b) Good Friday
- (c) Easter Monday
- (d) Victoria Day
- (e) Dominion Day
- (f) Labour Day
- (g) Thanksgiving Day
- (h) Christmas Day

musicians taking part in such broadcasts shall be paid at double the rates in Schedule "E".

E.7 Vocal Soloist Playing Own Accompaniment. \$58.15 per half hour or less, including one half hour rehearsal.

#### SCHEDULE "F"

##### MINIMUM BASIC FEE FOR SUSTAINING REMOTE BROADCASTS

F.1 Sideman. \$4.40 per one half hour or less.

F.2 Leader or Conductor. Double the sideman's fee.

F.3 Symphony Orchestra.

F.3.1 Sideman. \$4.40 per hour or less.

F.3.2 Principal. \$5.50 per hour or less.

F.3.3 Concert Master. \$13.20 per hours or less.

#### SCHEDULE "G"

##### MINIMUM BASIC FEE FOR COMMERCIAL REMOTE BROADCASTS

G.1 Sideman. \$11.00 per hour; \$5.50 per one half hour or less.

G.2 Leader or Conductor. Double the sideman's fee plus an additional \$2.00 for each sideman in the orchestra over 10 in number.

#### SCHEDULE "H"

##### MINIMUM BASIC FEE FOR MUSICIANS ENGAGED TO PLAY FOR THE ENTERTAINMENT OF A LIVE AUDIENCE

H.1 Sideman. \$3.75 for the first half hour or less, thereafter \$2.00 for each additional fifteen minutes or less. Item H.1 is in addition to the fee for the broadcast itself which shall be paid for in accordance with Schedules "D" or "E".

H.2 Leader or Conductor. Shall be paid at double the rate specified for a sideman under Item H.1. Item H.2 is in addition to the fee for the broadcast itself, which shall be paid in accordance with Schedules "D" or "E".

H.3 When a broadcast or recording made under Article 7 takes place in the presence of an audience, any time during which musicians are required to perform prior to or after the actual broadcast shall be paid for at the rate applicable to broadcasts as set out in Schedule "D" or "E", in addition to the payment for the time of the broadcast itself which shall be paid for in accordance with Schedules "D" or "E".

#### SCHEDULE "I"

##### MINIMUM BASIC FEE FOR MUSICIANS TAKING PART IN RECORDINGS (TRANSCRIPTIONS) OTHER THAN AUDITION RECORDINGS

I.1 Single Musician. \$63.00 for a one hour session of which only fifteen minutes may be recorded.

I.2 Where from two to four musicians are employed, \$35.20 to each sideman for a one hour session of which fifteen minutes only may be recorded; leader, double the sideman's fee.

I.3 Where from five to nine musicians are employed, \$31.50 to each sideman for a one hour session of which only fifteen minutes may be recorded; leader, double the sideman's fee.

I.4 Where ten or more musicians are employed, \$31.50 to each sideman for a one hour session of which fifteen minutes only may be recorded; leader and playing contractor, double the sideman's fee.

I.5 Overtime shall be paid for each twenty minutes of such overtime, of which five minutes only may be recorded, one-third of the fee applicable to the recording session as set out in Items I.1 to I.4.

I.6 Overtime for rehearsal only shall be paid for at the rate of one-sixth of the fee applicable to the recording session as set out in Items I.1 to I.4, for each unit of fifteen minutes or fraction thereof.

I.7 Any work which is not continuous shall be paid for as additional sessions.

I.8 There shall be a rest period of not less than ten minutes duration during each hour of work.

## SCHEDULE "J"

## MINIMUM BASIC FEE FOR COPYING

J.1 Orchestra parts, with no transposition from Concert score, averaging five measures to a stave, 50 cents per page until March 31, 1961; 52½ cents per page to March 31, 1962; 55 cents per page until March 31, 1963.

J.2 Divisi Parts. When 50% of the part is divisi, 75 cents per page.

J.3. Piano, Harp, Organ, Celeste, Accordion, Guitar or Banjo and Similar Instruments. With full chords, \$1.00 per page; where chord symbols only are used, 55 cents per page; piano with melody cued, in small notes, \$1.05 per page.

J.4 Solo Piano, Celeste and Similar Instruments, \$1.40 per page.

J.5 Extracting from conductor's condensed score or figured base where there are more than three parts per line, 60 cents per page.

J.6 Single Vocal Parts with words, 75 cents per page; per voice extra an additional 25 cents; when divisi exceeds 50% it is to be computed as an extra voice.

J.7 Piano and Vocal part with words, three staff lines, \$1.60 per page.

J.8 Conductor's Part, single or double staves, \$1.25 per page.

J.9 Piano Conductor Parts, three staves, \$2.45 per page; extra stave or fraction thereof, 24 cents per stave.

J.10 Single Staff Lead Sheet with harmony chords cued (not words or lyrics), \$1.10 per page; extra staves or fraction thereof, 15 cents per stave.

J.11 Conductor's Lead Sheet (single stave), not words or lyrics, \$1.10 per page; extra staves or fraction thereof, 15 cents per stave.

J.12 Piano or Conductor's Part constructed from a score, \$2.45 per page; extra staves or fraction thereof, 24 cents per stave.

J.13 Voice Part for Choral Works, 60 cents per page; each additional voice part, 35 cents extra.

J.14 Time Work. Additions, alterations, corrections, printing or running off copies or other time work shall be charged for at the rate of \$3.75 per hour or fraction thereof.

J.15 Any Copying required to be done after midnight and before 9.00 A.M. shall be paid for at double the fees set out in this Schedule "J".

J.16 Staff or House Copyists employed by the Corporation working thirty-six hours per week shall be paid a minimum of \$94.00 per week; overtime, \$1.90 per half hour or fraction thereof.

J.17 Writing in Lyrics in Part, 35 cents per page additional.

J.18 Numbering Every Measure on any or all parts, 15 cents per page, where required by the Corporation.

J.19 Duplicating of Scores note for note shall be paid for at the rate of 55 cents per page.

J.20 Classical or Concert Symphonic Piano Parts Condensed From Score, \$2.10 per page.

J.21 Professional Sales and Song Piano Parts, \$1.25 per page.

J.22 Minimum Payment. A copyist engaged by the Corporation or its servants or agents shall be paid not less than \$10.00 for the first four hours. If the basic minimum fees elsewhere in this Schedule "J" do not reach this minimum of \$10.00 then the copyist shall be paid such additional amount as may be necessary to reach the said minimum of \$10.00.

## SCHEDULE "K"

## MINIMUM BASIC FEE FOR SCORING, ARRANGING, ORCHESTRATING AND VOICING

K.1 Instrumental Parts

K.1.1 Not more than 8 parts of which I only may be a double stave part, \$1.65 per score page.



K.1.2 For more than 8 parts but not more than 12 parts of which 1 only may be a double stave part, \$2.45 per score page.

K.1.3 For more than 12 parts but not more than 15 parts of which 1 only may be a double stave part, \$2.90 per score page.

K.1.4 For more than 15 parts but not more than 18 parts of which not more than 2 may be double stave parts, \$3.30 per score page.

K.1.5 If a score contains more than 18 parts, the first 18 parts shall be paid for according to Item K.1.4; additional single stave parts in excess of 18 shall be paid for at 30 cents per score page.

K.1.6 For double stave parts in addition to those provided for in K.1.1 to K.1.5 inclusive, 35 cents additional per score page.

K.2 For taking down the melody and making a lead sheet with harmony cued in, \$4.15 per page.

K.3 Condensing an orchestral score for piano solo, \$4.35 per page.

K.4 Orchestrating from Complete Sketch.

(a) Single stave parts, \$1.50 per page.

(b) Double stave parts, \$3.05 per page.

K.5 Vocal Parts. For not more than 4 parts, \$3.00 per score page; for more than 4 parts, \$4.50 per score page; with piano accompaniment, \$1.65 per score page additional.

K.6 Consultation Time. All time over and above the free time provided for in Article 20.6 (of the Radio Agreement) shall be paid for at the rate of \$10.50 per hour or any fraction thereof.

K.7 All work required to be done between midnight and 8.00 A.M. shall be paid at double the rate as provided for in this Schedule "K".

## SCHEDULE "L"

### MINIMUM BASIC FEE FOR COMPOSING

L.1 Composing incidental music, 8 cents per bar for each different instrumental part computed from the total number of bars in the score; minimum for each 16 bars or less, \$15.00.

L.2 Vocal composition for from two to four voices, 30 cents per bar; extra voices, 5 cents per bar per voice.

## APPENDIX "D"

FILM DISTRIBUTORS WITH WHOM THE CORPORATION DID BUSINESS  
IN THE YEAR 1960/61

ABC Theatrical Enterprises  
All-Canada Radio & TV  
Argus Films  
Art Films Incorporated  
Associated Artists Productions Inc.  
Atlas Film Distributors Ltd.  
A. Barichievich  
Baron Films Corporation  
Batchen Films  
B.B.C.  
S.W. Caldwell Ltd.  
Canadian Film Institute  
Canadian Video Films Ltd.  
Caravan TV Productions Ltd.  
Ciné Europe Films Enregistrée  
Ciné France Distribution Ltée.  
Citel Incorporated  
Cobuca Enterprises Reg'd.  
Cresswell Productions Inc.  
Walt Disney Productions  
Dola Films Ltd.  
Dolphin  
Eastern Film Productions Ltd.  
Faculté de l'Agriculture  
Filmex Film Ltd.  
Franco-London Films  
Fremantle of Canada Ltd.  
Mark Gain  
Globe Enterprises Inc.  
Aram Goodsuzian  
L.J. Heagerty Ltd.  
Imperial Film Inc.  
Informations & Publicité  
Information Service of India  
International Film Distributors Ltd.  
Inter-TV Films Ltd.  
ITC of Canada Ltd.  
L. Janssens Van Der Sande  
Henry Koro  
Roland Longpré  
Cornel Lumière  
Gérald Maillefer  
Marnor  
Anastase Mazes  
J. McLean  
MCA Canada Ltd.  
Metro-Goldwyn-Mayer Pictures of Canada Ltd.  
Motion Pictures for TV Inc.  
National Broadcasting Company (Canada) Ltd.  
National Film Board

NTA Telefilm (Canada) Ltd.  
Office Général des Grandes Marques Ltée.  
Office National du Film  
Pathways Inc.  
J.C. Pilon  
Premiere Films of Canada Ltd.  
A.A. Rajak  
Rank Film Distributors of Canada Ltd.  
Rembrandt Films  
Robjou Films Ltd.  
Serge Roy Productions  
Screen Gems (Canada) Ltd.  
Secrétariat Provincial du Tiers-Ordre  
Seigneurial Films Corporation  
Seven Arts Productions Ltd.  
B. Sherwood  
Sinclair Film Company Ltd.  
Sovereign Film Distributors Ltd.  
Spectrum Film Productions Ltd.  
Sterling Films Ltd.  
Studio 7 Ltée.  
Sud-Pacifique Films  
Telac Ltée.  
Telefilm of Canada Ltd.  
Tele International Corporation  
Telemont Int. Inc.  
Telepix Movies, Ltd.  
300 Film Arts  
Times Film Corporation  
Transatlantic Films Co. Ltd.  
Twentieth Century Fox Corporation Ltd.  
United Artists Corporation Ltd.  
United Nations  
United World Films Inc.  
Universities Francaises  
King Whyte  
ZIT Programs (Canada) Ltd.  
ZIV TV Programs Inc.





















HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 26

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THURSDAY, JUNE 1, 1961

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WITNESSES:

Mr. A. M. Henderson, Auditor General of Canada and Mr. A. B. Stokes,  
Supervisor.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

# SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

THURSDAY, June 1, 1961.

(30)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Fairfield, Fisher, Fortin, Horner (*Acadia*), MacEwan, McGrath, Mitchell, Regnier, Simpson, Smith (*Calgary South*), Webb—(14).

*In attendance:* Mr. A. M. Henderson, Auditor General; Mr. A. B. Stokes, Supervisor.

Before proceeding with the business of the day the Committee was informed by the Chairman that Mr. Alphonse Ouimet, President of the Canadian Broadcasting Corporation, had supplied him with a number of copies of the 1961 supplement No. 5 of the weekly TELEVISION DIGEST of May 15, 1961, featuring the full texts of addresses by Newton N. Minow, Chairman, Federation Communications Commission (U.S.A.), and by LeRoy Collins, President, National Association of Broadcasters, to the 29th Annual Convention of the National Association of Broadcasters at Washington, D.C., on May 8th and 9th, 1961.

It was agreed that these be distributed around to the members of the Committee.

The Committee then resumed from Tuesday, May 30th, its adjourned study of the affairs of the Canadian Broadcasting Corporation.

Mr. A. M. Henderson was called.

After a few preliminary questions directed to the witness, Mr. Chown, seconded by Mr. Horner (*Acadia*), moved that the Auditor General table a copy of his report to the Board of Directors of the Canadian Broadcasting Corporation on the examination of the accounts and financial transactions for the year ended March 31, 1960, under date of June 21, 1960.

After a somewhat prolonged discussion thereon and the question having been put on the proposed motion of Mr. Chown, it was, on a show of hands, unanimously carried.

Whereupon the witness tabled both the said report and the replies to the report he had received. On the suggestion of Mr. Chown it was agreed that these be appended to the Minutes of Proceedings and Evidence for today. (*See appendix hereto.*)

Mr. Henderson read through the report and at the same time inserted the replies received from the Corporation.

At the conclusion, Mr. McGrath moved, seconded by Mr. Fortin, that examination of the witness on the material he had just read be deferred to the afternoon sitting.

And the question having been put on the proposed motion of Mr. McGrath, it was, on a show of hands, resolved in the negative on the following division: Yeas, 5; Nays, 6.

Mr. Henderson was questioned.

At 11.00 o'clock a.m., the examination of the witness still continuing, the Committee took recess.

#### AFTERNOON SITTING

(31)

The Committee resumed at 3.00 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Baldwin, Chown, Fairfield, Fisher, Fortin, Horner (*Acadia*), Keays, Macdonnell (*Greenwood*), MacEwan, McGrath, McQuillan, Mitchell, Pugh, Simpson, Smith (*Calgary South*), Tremblay, Webb—(18).

*In attendance:* Mr. A. M. Henderson, Auditor General and Mr. A. B. Stokes, Supervisor.

Examination of Mr. Henderson was continued with Mr. Stokes assisting. With their testimony concluded, the Chairman thanked the witnesses for their attendance before the Committee in which thought all agreed.

On motion of Mr. Fisher, seconded by Mr. Chown,

*Resolved*,—That necessary arrangement be made to have Mr. R. L. Dunsmore, Director, of the Canadian Broadcasting Corporation, to appear before the committee at the earliest convenience to both himself and the Committee.

At 4.20 o'clock p.m., on motion of Mr. McGrath, seconded by Mr. Tremblay, the Committee adjourned to meet again at 9.30 o'clock a.m., Tuesday, June 6th, 1961.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

THURSDAY, June 1, 1961  
9.30 a.m.

The CHAIRMAN: Good morning, ladies and gentlemen, we have a quorum. I received a communication from the Canadian Broadcasting Corporation, from Mr. Ouimet, which reads as follows:

I have just read the attached addresses by the chairman of the federal communications commission of the United States and by the president of the national association of broadcasters.

It struck me that you and your colleagues, who have such a deep interest in the future of broadcasting in this country, might find helpful or interesting these examples of the thinking of two leaders of the broadcasting industry in the United States. I found the address of Newton Minow especially interesting in that he apparently appears to be advocating the broad type of programming which parliament prescribed for the C.B.C. many, many years ago in this country.

This is a copy of a series of addresses by Newton N. Minow, Chairman of the Federal Communications Commission of the United States and LeRoy Collins, President, National Association of Broadcasters. If it is agreed, we can have it distributed to the members of the committee.

We have before us today the Auditor General, as a result of a motion by Mr. Chown made on May 18th, seconded by Mr. Pratt, that the Auditor General be called to testify before the committee. I do not think he has any initial statement to make, but Mr. Chown would like to have the floor first.

Mr. CHOWN: Thank you, Mr. Chairman, Now, Mr. Henderson you are the Auditor General of Canada?

Mr. A. M. HENDERSON (*Auditor General for Canada*): Yes sir.

Mr. CHOWN: When were you appointed Auditor General?

Mr. HENDERSON: On March 1st, 1960.

Mr. CHOWN: What was your occupation immediately prior to that?

Mr. HENDERSON: I am a chartered accountant, and was chief financial officer of the Canadian Broadcasting Corporation.

Mr. CHOWN: Over what period of time did you hold that position?

Mr. HENDERSON: From December 7th, 1957 until February 28th, 1960.

Mr. CHOWN: Would you please tell the committee what your occupation was prior to that?

Mr. HENDERSON: Well, again, I am a chartered accountant and was engaged in industry in accounting and related functions.

Mr. CHOWN: Were you with a private firm of chartered accountants prior to your engagement by the C.B.C.?

Mr. HENDERSON: Yes sir, I was with Price Waterhouse and Company.

Mr. CHOWN: Would you please outline to the committee what your duties are as Auditor General of Canada, and where these duties are set out?

Mr. HENDERSON: My duties are defined in the Financial Administration Act. The terms of reference are cited in my report to the House of Commons



this year which was tabled on January 16th. I would particularly direct your attention to paragraph 70 of the Financial Administration Act which reads as follows:

70. (1) The Auditor General shall report annually to the House of Commons the results of his examinations and shall call attention to every case in which he has observed that

- (a) any officer or employee has wilfully or negligently omitted to collect or receive any money belonging to Canada,
- (b) any public money was not duly accounted for and paid into the consolidated revenue fund,
- (c) any appropriation was exceeded or was applied to a purpose or in a manner not authorized by parliament,
- (d) an expenditure was not authorized or was not properly vouched or certified,
- (e) there has been a deficiency or loss through the fraud, default or mistake of any person, or
- (f) a special warrant authorized the payment of any money, and to any other case that the Auditor General considers should be brought to the notice of the House of Commons.

I do not think I need to read subsection (2).

Mr. SMITH (*Calgary South*): I think we are all familiar with the qualifications of the Auditor General, and his terms, and duties.

Mr. CHOWN: I think it should be made clear to the committee by way of introduction because some members of the committee who do not sit on the public accounts committee may not be as familiar with these as those of us who do.

At page 491 of the evidence in the printed reports of the evidence of this committee, I asked Mr. Quimet the following; and he replied as follows:

Mr. Chown: I was going to ask Mr. Quimet if at any time the board of directors or the minister to whom you report, or the Auditor General within, perhaps, narrower terms of reference had recommended that outside consultants be retained to examine, as I say, a smaller, narrower area of operations of the corporation? Has that happened from the last date you gave us, 1956, to the present time?

Mr. Quimet: So far as the board of directors are concerned, obviously in that case they do not recommend. We simply decide that something should be done and there have been no decisions to have outside consultants. The matter, however, has been considered and discussed at quite some length, but for the moment it has been decided not to have outside consultants because we have just had a fairly recent reorganization of the corporation and we feel—I am speaking for the board—that another reorganization at this time is certainly not warranted on the basis of the results we are getting. We shall look at this again in six months or in a year's time and decide if some such thing is needed. Of course, you know the Glassco commission is also looking into our operations at the moment.

Mr. Chown: I was going to ask a supplementary question, whether you consider yourself, as you obviously do, within the terms of reference of the Glassco commission and you have answered the question in the affirmative. Now, you spoke of the board of directors but what about the other two I mentioned, the Auditor General and the minister to whom you report? Have they made such recommendations?

Mr. Quimet: No, the minister, I think, would not get involved in this sort of thing. However, I believe the Auditor General, in a memo

to the board, has put the question forward. I do not remember whether it was a recommendation or whether if he was asking if it would be a good thing to have consultants.

Mr. Chown: Would it be possible for you to make that available to the committee—the recommendation made by the Auditor General? Could you be more specific as to what his recommendation was?

Mr. Ouimet: I believe it had to do with the area of finance organization. I think there was some question in the auditor general's mind as to the location of finance in the overall set-up which we had until recently, but this matter has been taken care of now. For a while we had finance and administration combined together under one vice-president of administration and finance, and the Auditor General felt quite strongly that these two should be separated.

Mr. Chown: So he felt that what you were doing, that your system of combining these two, was wrong and suggested that if you did not agree with his opinion you should retain outside consultants to pass judgment?

Mr. Ouimet: No, not exactly, but nevertheless we have separated the two.

Mr. Chown: I would be interested in the subcommittee giving consideration to the tabling of the Auditor General's recommendation.

The Chairman: I think you will have to ask the Auditor General that. It is his recommendation.

Now, that leads us to the point where I would now ask the Auditor General if he did make such a recommendation or report of any kind, and whether he is prepared to table it? If he is not prepared to table it, I would move that he be asked to table it, seconded by Mr. Horner (*Acadia*).

The CHAIRMAN: Are there any remarks?

Mr. SMITH (*Calgary South*): I would like to have some comments from Mr. Henderson.

Mr. HENDERSON: In answer to Mr. Chown I would state that I did submit a report containing suggestions and recommendations on June 21, 1960; it was a 15 page report, addressed to the board of directors. The details in it were discussed with the President of the corporation and with the Chairman of the Board, Mr. Dunsmore. You ask me if I am prepared to table it. I can only say that I would do so with reluctance as I am sure you can appreciate. But at the same time, in the light of the evidence which has just been read, I must tell you that in my opinion the contents of this report are pertinent to your discussions in this committee. I make that statement based on my perhaps rather cursory examination, of your evidence over the past 20 odd meetings. Before this motion is voted on, Mr. Chairman, I would like to say something about the report so that you may have the fullest appreciation of its nature, contents, and limitations.

I referred earlier to the provisions of the Financial Administration Act, and in particular to section 70 which I read, and also I would refer to section 87 which relates to audit reports of crown corporations. In accordance with the practice of my office, a long form report was addressed to the Canadian Broadcasting Corporation dealing with its accounts for the year ended March 31st, 1960. Reports such as these from the audit office are supplementary to the statutory report given on the accounts of a crown corporation under section 87 of the Financial Administration Act. While largely explanatory of the accounts, the reports may and do contain observations, suggestions and recommendations on various matters arising out of the audit. The reports are always discussed by me or by my officers, in draft, with the chief executive



officers of the corporation before they are issued, in order to assure that there is a fair presentation of the facts. As I just mentioned, this was done in this case.

Those members who are on the standing committee on public accounts are, of course, familiar with this reporting procedure. It is fully described in my report to the House of Commons for the fiscal year 1959-60 under "the audit approach" where, in paragraph 9, I stated as follows:

Detailed reports addressed to the managements of departments, crown corporations and other agencies are currently being issued by the audit office covering the results of its examinations. These reports, patterned after those in widespread use among professional accountants in private practice, outline the scope of the audit, give a broad summary of the operations for the year under review, analyse the financial results in comparison with those of previous years and make available to the management, comments and suggestions regarding weaknesses in internal control, savings that might be achieved and other matters noted during the course of the audit.

Unless the suggestions or recommendations are with respect to matters that have required some degree of explanation or qualification in my statutory report on the accounts under section 87 of the Financial Administration Act, no reference has been made to them in my report to the House of Commons. This is simply because it has seemed to me only fair and sensible that corporation managements be given the fullest possible opportunity to deal with the suggestions and recommendations I have set forth.

In the case of the Canadian Broadcasting Corporation, my detailed report is addressed to its Board of Directors. It contains, firstly, summary explanations of the financial statements of March 31, 1960, that is, the statement of operations and the balance sheet; secondly, comments and recommendations on the accounts and related matters.

The report, as I mentioned, is dated June 21, 1960. Twelve signed copies were delivered to the corporation on June 22, for distribution of one copy to each member of the board of directors who were holding board meetings in Ottawa at that time. On June 29, the Secretary of the Board acknowledged the twelve copies. On October 3, 1960, the secretary sent me comments by the board of directors on several points, and again on December 14, 1960, he sent me some further comments. If the committee decides it wishes my report to be tabled, then I think it only fair that I should also table those replies I have received. I have received no further communications on this report from the secretary, the chairman of the board, Mr. Dunsmore, or the president, Mr. Ouimet, or from any of their representatives.

Currently my office is engaged on our examination of the corporation's accounts for the fiscal year ended March 31, 1961.

I thought that those remarks might be of some assistance to the members of the committee.

Mr. SMITH (*Calgary South*): I have not quite understood what is your reluctance to tabling the report. You say that you will do so, but with some reluctance.

Mr. HENDERSON: To be perfectly frank, Mr. Smith, I think you will agree with me that, as I have explained, I like to give a reasonable period of time for matters of this kind to be fixed up. I am appearing here now in the presence of a number of my former associates including many personal friends. I would have hoped, if I may say so, that the contents of this report could have been introduced into the evidence earlier by, shall we say, the client.

Mr. SMITH (*Calgary South*): The point I am attempting to establish is that your reluctance is based on a personal consideration and not from the



standpoint that it is considered in any way improper to make public a report of this nature which, of course, in your capacity as Auditor General, the committee might expect is actually and probably your duty.

Mr. HENDERSON: I recognize that it is my duty. I am hoping, however, that the members would feel I am adopting a fair and sensible and just course when I say that I think a reasonable period of time should be given to the implementation of recommendations of this nature.

Mr. SMITH (*Calgary South*): That can be taken into consideration when the report is tabled.

Mr. McGRATH: I did not hear you say what you consider to be a reasonable period of time.

Mr. HENDERSON: Very frankly, I have not been in office long enough to determine what a reasonable length of time should be in such cases. I am inclined to believe, however, that it should be a year, because I report each year to the House of Commons.

Mr. McGRATH: And also because of your experience with other crown corporations?

Mr. HENDERSON: Yes. I would regard a year as a reasonable period of time. We have to be realistic about this. Boards of directors, and others, naturally do not work with great alacrity sometimes. However, I think a year is a reasonable period.

I want to make it quite clear that I am very sensitive to the responsibilities I have to parliament under the provisions of the Financial Administration Act. Matters come up which might cause me to feel that disclosure should be made earlier. Then my place to do it is in the statutory report which as you know was last tabled in the house on January 16, 1961.

Mr. CHOWN: I have a brief question before the motion is put. Would you expect, in the normal course of events that this corporation would have been summoned before the committee on public accounts, which committee you know from personal knowledge and I know as a member of the committee, but that this will not occur because of the lack of time. Had it been possible to call the C.B.C. before the committee on public accounts in all likelihood this report would have been tabled in the course of its examination.

Mr. HENDERSON: Far be it from me to speculate on what the public accounts committee might do under a given set of circumstances; but, it seems a reasonable deduction.

The CHAIRMAN: Are there any further comments by the committee?

I will put the motion. The motion is that the report of the Auditor General on the corporation be tabled.

Those in favour?

Those opposed?

I declare the motion carried.

Mr. CHOWN: I wonder, Mr. Henderson, if you would be kind enough to take the committee through this report clause by clause.

Mr. SMITH (*Calgary South*): May I suggest it would be beneficial to the committee if Mr. Henderson completed the report without interruption on any particular paragraph.

Mr. HENDERSON: I did not hear Mr. Smith's comments.

The CHAIRMAN: That you go through the report without any interruptions or questioning.

Mr. HENDERSON: Yes. I would table here, as I mentioned, both the report and the replies I received to the report. If it meets with your approval I will go through the report in the manner described, and at the same time insert the reply received from the corporation on each point.

It would be of considerable assistance to the members if they could have before them a copy of the annual report of the corporation for the year ended March 31, 1960 which no doubt has been distributed. You might like to open it up at the statement of operations at unnumbered page 24, and at the balance sheet, so that you will be able to follow my comments more clearly, not on every point, but on the major points.

The CHAIRMAN: Are you prepared to carry on now?

Mr. HENDERSON: Yes.

As I mentioned, the report is dated June 21, 1960. It is addressed to the board of directors, Canadian Broadcasting Corporation, Ottawa. For the benefit of the reporters I will refer to the section from which I am quoting, because I do not think it necessary to include all of the sections in my reading.

Mr. CHOWN: I would move that the report and the replies thereto be made an appendix to today's minutes of proceedings and evidence.

Agreed.

Mr. HENDERSON:

In accordance with section 34(2) of the Broadcasting Act under which the Auditor General is appointed the auditor of the Canadian Broadcasting Corporation, we have completed our examination of the accounts of the Canadian Broadcasting Corporation for the financial year ended March 31, 1960.

In connection with our examination, we believe that the following explanations concerning the accounts for the year under review may be of assistance to the management and the board of directors. In addition, a number of related matters came to our attention which we believe should be drawn to the notice of the directors at this time. These were discussed with the president of the corporation on June 14 and with the chairman of the board on June 15.

Mr. CHOWN: What year?

Mr. HENDERSON: 1960, just about a year ago.

A copy of this report has been sent to the Honourable George C. Nowlan, Minister of National Revenue, for his information.

## RESULTS FROM OPERATIONS

A revised accounting system was introduced effective April 1, 1958, when the corporation adopted the recommendations of Ross, Touche & Co., chartered accountants, Montreal, who had been engaged to examine the accounting methods and procedures in effect prior to this time. Their recommendations were designed to provide for a greater decentralization of the accounting work than had existed in the past and to enable the production of comprehensive monthly accounting statements for the information of management. The financial data to be reflected by the financial statements was generally designed to meet the recommendations contained in the report of the royal commission on broadcasting, 1957, in particular the recommendations of the commission's financial adviser appended thereto.

In this regard I might say that this follows very logically on the comments and suggestions set out in part IV of appendix 7 to the Fowler royal commission on broadcasting wherein the financial advisors submit comments and suggestions in two sections; first for the consideration of the commissioners and second, for consideration of the management of the Canadian Broadcasting Corporation. So it was a very useful guide.

Mr. CHOWN: Would there be any point in having those comments included in the minutes?



Mr. HENDERSON: I do not think so. I just wanted to point out that the corporation went to considerable pains to implement points brought to its attention as a result of this study.

The financial year ended March 31, 1959, saw the first year's results of the revised system. Because certain areas of expenditure and revenue distribution still needed clarification after a single year's experience, coupled with the fact that no comparable figures were available in like fashion for the financial year ended March 31, 1958, the corporation did not alter the format of its statement of operations at March 31, 1959, to reflect the results on the revised basis. The management believed that a further year's experience was desirable and that by March 31, 1960, a new presentation of the statement of operations should be introduced, using the 1959 figures for comparison purposes. Accordingly, the statement of operations of the corporation for the year ended March 31, 1960, now reflects the results from operations on a more comprehensive basis.

This statement is set forth in the printed annual report. I understand that its format has met with favour from the members of the committee.

To continue:

A summary of the results from operations for the year ended March 31, 1960, compared with the result of the previous year follows:

(See page 745 of the appendix.)

It probably is not necessary for me to read the rest of this page. It shows, in summary form, the results for 1960, where the net expense for the year, after deductions of commercial income, was some \$55 million compared to \$54 million odd in 1959. Then there are certain comments which we felt would be of interest and of assistance to the members of the board.

Continuing, I would quote:

In connection with the foregoing, it may be of interest to note how the actual net operating requirements of the corporation through March 31, 1960, compared with the operating radio and television budget as approved by the governor in council, P.C. 1959-1549 dated December 7, 1959:

(See page 745 of the appendix.)

Here again the net requirements are set out in a table showing that the actual operating requirements were roughly \$52,300,000 and that the approved operating budget of the corporation, on a net basis, was \$58,400,000. I am giving round figures. It indicates a surplus for that year of actual needs over the amount of money approved by parliament of \$6 million, and I believe the president already has explained this to you.

To continue:

The operating budget approved by the governor in council provided that individual items of expenditure could be exceeded by not more than 10 per cent without further approval, providing the total expenditure did not exceed \$81,502,000. It will be noted that the distribution expenditure in the above table exceeded the approved estimate by \$1,922,336, or 18.8 per cent, without executive approval having been obtained.

In this connection, I would like to turn to the comments of the board of directors dated October 3, in which they deal with this statement. There was a discrepancy between us in regard to this figure which I am grateful to them for drawing to my attention. I will read what they say:

The Auditor General's department has given this figure as \$12,152,336 by reason of their having included an amount of \$3,010,832 being the station transmission expense. This amount should not be



included in the item described as "distribution" since the \$10,230,000 in the approved budget did not include the item for station transmission expense which had been included in the \$57,500,000, for programs.

I may say here that the corporation was correct. This was a difference in figure classification which crept into the completion of the final material. To continue my report:

In accordance with the requirement of the Companies Act, the statement of operations carries a footnote disclosing that the expenses for 1960 included \$50,575 for executive officers' remuneration. This amount consists of the remuneration paid to the president and vice president appointed under the Broadcasting Act and to the assistant to the president. It does not include the remuneration paid to the other four vice presidents and three general managers appointed during the year under review. We believe these officers to be "executive officers" within the meaning of the Companies Act as interpreted by current corporation practice, and therefore their remuneration should be included in the total figure disclosed. It would be of assistance if the Board of Directors would review this matter and advise us of their views in this connection.

On this point, the secretary of the board of directors advised me on December 14th, as follows—and I quote:

The corporation agrees with the suggestion and steps will be taken to include the remuneration received by the four vice-presidents and three general managers in the "executive officers' remuneration" on all future statements of operations.

We proceed, now, to the balance sheet, which is the double page preceding the statement of operations, and I will carry on:

The balance sheet of the corporation at March 31, 1960, remains in a format similar to that employed in prior years except that the totals of current assets and current liabilities are shown for purposes of comparison. A separate report will shortly be rendered by this office at the request of the treasury board having to do with the determination of the working capital level adequate to meet the corporation's needs. At the present time it remains at the level of \$6 million, following its adjustment to that figure on the coming into force of the Broadcasting Act on November 10, 1958. The determination at that time by the Minister of Finance was of an interim nature and called for repayment of \$4,079,766 by the corporation to reduce the working capital level to \$6 million. The sum of \$4,075,592 was paid to the Receiver General on April 14, 1959, leaving a balance of \$4,174 to be paid on the final determination.

With reference to certain items appearing on the balance sheet at March 31, 1960, we would comment as follows:

Cash—\$1,861,081—This can be located on the balance sheet.

This amount is considerably lower than the corresponding amount of \$8,361,835 at the close of the preceding year. At that time funds were on hand to pay to the Receiver General the \$4,075,592 settlement referred to in the preceding paragraph, together with the unexpended balance of \$3,324,012 of the parliamentary grant for capital expenditures of the radio and television services. The cash balance as at March 31, 1960, is not sufficient to cover the \$2,341,157 unexpended balance of the parliamentary appropriation for net operating requirements previously referred to in this report.

Cash on hand was counted in the audit and balances on deposit with banks were confirmed by direct certificate from the banks concerned and reconciled with the relative balances in the corporation's accounts.

*Accounts Receivable—\$4,807,717.*

Again, this can be located on the balance sheet.

This amount comprises \$4,231,736 of balances due from customers, together with sundry debit balances totalling \$575,981.

It has been the practice to maintain a reserve for uncollectible accounts at a constant figure of \$10,000 and to write off, at the close of each year, the balances regarded as having become uncollectible in the course of the year. The total thus written off at the close of the year under review was \$19,916, an increase of \$18,112 over the corresponding total of \$1,804 for the preceding year. The balances written off during the year have not, as yet, been approved by the president or the board of directors. This sharp increase suggests the advisability of consideration being given to increasing the amount of the reserve. Consideration should also be given to enlarging the coverage of the reserve so as to provide for "doubtful" as well as "uncollectible" balances.

On this point, the board of directors replied on October 3rd, 1960, as follows:

The accounts receivable recommended for write-off for the year ended March 31, 1960, were listed in a memorandum to the President, dated June 16, 1960. The President approved the write-off by signing the memorandum and his approval was received and placed on file in the accounting department as of June 17, 1960. These write-offs were reported in detail in the comptroller's report dated May 27, 1960. The amount written off was \$14,095.81.

At the same time, on the same date, the secretary to the board of directors advised on the other point in this paragraph, as follows—and I quote:

The purpose of setting aside an allowance for bad and doubtful accounts at the end of the fiscal year is to provide means whereby charges against profit and loss on account of bad debts will obtain within the year during which the profit is taken. It has been considered preferable in our type of operation to make a review of accounts receivable at the end of the fiscal year, and to assess accounts which may be subject to write-off rather than setting up a continuing reserve as a percentage of receivables. Where an account at the end of the year proves to be uncollectible in future periods, such charge, if not provided for, would be borne by future-year profits.

For the last two years our practice has been to review the aged accounts receivable, in cooperation with the Auditor General's Department, having particular regard to those accounts outstanding beyond the normal period. It seemed to us in our review at the end of 1959-60 that the \$10,000 amount which we had set aside as an allowance against 1959-60 accounts that might prove to be uncollectible in 1960-61 was sufficient, and it is our understanding that the Auditor General's Department concur in this view. After four months' experience to date, the \$10,000 allowance provided appears to be valid.

As at the end of 1960-61, a review of the outstanding accounts receivable on an aged basis will again be made, and should conditions at that time indicate that an amount larger than \$10,000 should be set aside as an allowance, the necessary amount will be provided for.

Then, to continue with the report:

Our review of the accounts receivable balances indicated that, in approximately one-third of the cases, no credit ratings had been established as required by the governing management directive. Moreover, in many of the cases where credit ratings had been established, these had frequently been permitted to be exceeded.



I now turn to the secretary's advice on October 3rd—and I quote:

The comments are factual. Credit limits have not yet been fully established for accounts having an A-plus rating. Where experience with such accounts has been satisfactory, the limits have been exceeded on the understanding that such limits would be increased from those established when the procedures were first introduced. Special attention is given to the record of payments of these accounts.

Since the commencement of procedures in late 1958 we have been engaged in a continuing review of their application and expect to have a more formal record of limits and ratings established, as defined in the procedures prior to our next year end.

To return to the report, Mr. Chairman, it then continues, and gives details of the accounts receivable by provinces, and it shows the results of a circularization of the accounts receivable undertaken by my officers in the course of their work, and I would suggest that it would not be necessary for me to read the remainder of this page. This is a question of going on record and advising the corporation where we stand. We did not have a very good response which was largely attributable, I am afraid, to the late date on which this particular task was undertaken. Then, to continue with the report:

*Investment in Government of Canada Bonds—\$1,457,031*

There has been no change in this account during the year. This holding represents \$1,500,000, 2½% Dominion of Canada bonds due June 15, 1968, the cost of which was \$1,445,000. The market value at March 31st was \$1,260,000.

No provision has been made for the difference between cost price and market value which, as indicated above, amounted to \$185,000 at March 31, 1960, although this may be a realized loss during the forthcoming year should the bonds require to be sold to enable the corporation to discharge its current liabilities.

The bonds on hand at the close of the year were verified by actual count.

*Inventories—\$6,167,516*

This figure on the balance sheet is made up of engineering supplies, in the amount of \$2,006,962, program production in process, \$1,334,769, and film and script rights in the amount of \$2,825,785, and these three figures add up to \$6,167,516.

I will not go into the details of this, but you will be able to see the comparison from the corporation's balance sheet, because they show the totals in 1959 in the blue column.

We examined the actual physical inventories of the engineering, stationery and production supplies taken by the corporation at January 31, 1960, and reconciled the cost valuation thereof with the value shown above at March 31, 1960.

During the course of our examination of these inventories, we made a test check of the internal control existing in the area of stores control and selected the Ottawa regional stores for this purpose. In this connection, we noted that a number of attractive items such as tubes, films and props carried in stock did not appear to be under the same measure of control exercised over items whose utility is limited to corporation use, e.g., stationery stock valued at \$54,782 at the year end. In the case of this stock, four clerks, a truck driver operating a corporation-owned truck and a clerk in the Ottawa regional accounting



office look after the inventory. We would recommend that this situation in the Ottawa region as well as in the other regions be reviewed by the internal auditor with a view to ensuring not only that an adequate control exists, but that the staff available is being utilized to the maximum advantage in all areas.

In this connection I refer to the secretary's advice to me, on October 3rd, 1960—and I quote:

The item referred to in the Auditor General's report is floor inventories "...tubes, raw films and props carried in stock did not appear to be under the same measure of control...".

A serious difficulty in the maintenance of control over floor stocks at CBOT has been experienced over the past six to eight months and will continue while the construction of the additional office and operating space is going forward.

Increased program production in the last year at Ottawa resulted in accumulating increased inventory in the operating areas, as distinct from inventories held in stock-rooms. These floor inventories are composed of technical stores; raw kinescope film which must be on hand in the studios at all times; and properties.

In the case of technical and film supplies, the responsibility for safekeeping under lock and key of those items that are kept on hand rests with the supervisors of the departments concerned. Such stocks are kept at a minimum consistent with the requirement of operations and are reviewed through internal audit procedures. Particular attention will be paid to these items in the next review.

In the case of properties, the chief accountant of Ottawa reported to the area manager at the beginning of the year, February 1960, on what seemed to be a lack of control over purchased properties which had increased due to the increase in local programming. As a result, the area manager requested that the systems and procedures department make a survey of the situation and provide recommendations. This survey has been completed and recommendations implemented.

Concerning the use of staff in the area of stationery custody, distribution, et cetera, this assignment is as a result of the decentralization of stores procedure recommended by P. S. Ross and Company, and instituted as a result of their survey. Ottawa serves as a stores distributing center for nationally printed forms and specific multi-copied forms.

The corporate supervisor of stores is continuously placing before line officers in the field observations on the necessity to maintain floor stocks as low as possible and to control these in the best manner consistent with the use of personnel. This is a continuing effort on our part.

Then the report continues:

Program production in process was verified by reference to the production schedule and cost records. This represents accumulated costs of taped programs awaiting showing. It was noted that the inventory value at the year-end included an amount of \$160,200 represented by the corporation's original investment in the R.C.M.P. television series of \$245,700, less its share of revenue earned to the end of the year from Canadian and United Kingdom showings which has amounted to \$85,500. To the extent that the balance of \$160,200 cannot be recovered from future showings it will require to be written off to expense.

The secretary commented on this on October 3rd, as follows:

The corporation's investment of \$245,700 less revenue from sale of rights amounted to \$137,400 as at June 30, 1960. Thus a further \$25,000 was received from sale of rights in the first quarter of the present year.

The position of this account is under constant review and if present indications prove correct, no write-off will be required.

We are now working with Crawley McConnell Limited in order to attempt a closer estimate of their belief that the investment will be fully recovered as a result of recent sales to the U.S.

To continue the report.

Prepaid film rentals consists of film rights prepaid in whole or in part for future broadcasting. In determining the inventory values of these at March 31, 1960, the corporation wrote off items therein to expense to the extent of \$322,514 due to expiry of contracts, changes in network programming, etc. When the film inventory data in connection with the determination of the corporation's future working capital requirements is available, we will be holding discussions with the management concerning, among other factors, the level at which these inventories will require to be maintained in future.

The secretary replied to this on October 3rd, as follows:

Mr. Stokes and Mr. Wigmore of the Auditor General's office have been in Montreal and Toronto and reviewed film operations. Initial discussions took place with Mr. Stokes before he left for his annual leave and such discussions will continue. So far he has made suggestions regarding pre-emptions, packaged purchases and the practice of the corporation of averaging costs in syndicated series. Action has already been taken on the first and third items. These suggestions will tend to reduce slightly the prepayments in Toronto but will have little effect in Montreal.

To continue the report:

There is an additional matter in connection with the film inventories on which we wish to comment at this time. This is related to the purchasing methods employed by the corporation over the past several years when purchasing films not made in Canada. It has been the practice of the corporation for the most part to purchase these under contract without defining in the contract the kind of dollars to be tendered in payment thereof. In the case of films made in the United States, the contracts have been made generally with the Canadian subsidiaries of United States distributing houses holding the Canadian rights.

Although not specified in the contract, payment has been made in Canadian dollars whereas it would appear that United States dollars were equally eligible for tender, and had this been done substantial savings would presumably have accrued to the corporation in the case of its film rentals. The extent to which the exchange saving in question might have been taken into consideration in the negotiation of the original contracts covering the rental price was not readily ascertainable from the cases in point.

We reviewed this matter with the president on June 14th for the purpose of ascertaining what steps the management has taken to ensure that future purchases will be made on the cheapest currency basis. He informed us that this matter has engaged his close study since it was first drawn to his attention.

In this connection, the secretary to the board of directors replied on October 3rd:

There have been no major purchases made where the effect of such negotiations could be tested. Those responsible for film purchases have been instructed to keep this in mind in dealings with American or other foreign suppliers.



May I say at this point that this observation relates, of course, to the period of time when, as you will recall, through the end of 1959 there was a 5 per cent discount on American money and we were referring to what could have been a considerable sum of money.

To continue with the report:

In this connection, reference is made to a report addressed by the comptroller to the president on November 19, 1959, setting forth a complete stocktaking made by the comptroller of the film inventory as at August 31, 1959, which report contained a full description of the methods and procedures in effect in the film procurement departments, and recommendations designed to improve these methods, including the currency aspect already mentioned. This investigation was made at that time on the instructions of the finance committee of the board.

The secretary commented on this under date of October 3rd—and I quote:

This is being done as quickly as possible and it is expected that revised procedures will be in effect by November.

Then the report continues:

*Capital Assets—\$28,232,347.*

This is the net value of the capital assets on the balance sheet.

Capital additions during the year under review totalled \$6,259,935 and compare with the capital budget as approved by the Governor in Council, P.C. 1959-1549 dated December 7, 1959, as follows: (See page 749 of appendix.)

There is then given the tabulation of the capital additions during the year, showing a comparison between the actual capital expenditures and the approved capital budget, wherein out of an approved capital budget of \$9,197,000, the corporation spent \$6,259,935, so that there was again a surplus of funds unused of \$2,937,065. The report continues:

The capital budget approved by the Governor in Council provided that individual items could be exceeded by not more than 10% without further approval, providing total expenditures did not exceed \$9,197,000.

In this connection we noted that, under "General", the item "Equipment—additions and replacements" approved in the amount of \$1,000,838, was exceeded during the year under review by \$261,076, or 26.1%, without executive approval having been obtained.

In connection with this, the secretary advised me on October 3rd, as follows:

The original submission to the government of the capital budget showed an amount of \$1,000,838 under the above heading. In July 1959 the capital budget was revised internally and the amount against this item was increased to \$1,488,297. This revised capital budget, as used by management for the financial year, was approved by management but was not submitted to treasury board. This was an oversight on our part and there should be no recurrence of this condition.

I might omit the next paragraph. It deals with accounts payable, which, as shown on the balance sheet, totalled \$5,536,444. There are details given in the report as to the makeup of this amount, with certain explanatory paragraphs following.

I now come to the section of the report, headed "Comments and Recommendations":

Our examination was made in accordance with generally accepted auditing standards and included a general review of the accounting procedures and of the system of internal control together with such tests of accounting records and other supporting evidence as were con-



sidered appropriate in the circumstances. The examination during the year was carried out at the head office of the corporation in Ottawa and at the regional offices located in Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver.

Under the revised accounting system, informative and detailed financial statements are prepared monthly by the comptroller for the use of management and the finance committee of the board of directors. The statements show the results of operations on a monthly and cumulative basis compared both with the budget allocation and like figures for the previous year. They show, in addition to other informative detail, the results from operations of each of the individual radio and television stations and each of the networks in the manner recommended by the royal commission on broadcasting, 1957. These statements are an integral and highly important part of the corporation's system of internal control.

Reference is made to certain of our comments thus far in this report which, in our view, are indicative of weaknesses in the system of internal control. In our opinion, this is largely due to the fact that the comptroller's office is not in a position to function as adequately and as comprehensively as it should due to certain organizational limitations present in the existing corporate structure. As a result, reorganization of the internal auditing function, so essential to the system of internal check in any organization of comparable size, is overdue. This is of direct concern to us in the performance of our own audit responsibilities because of the reliance we must place on adequate internal auditing programs in determining the scope of our own program.

The position of the internal auditor in an organization should be such that he is independent of the officials who are directly responsible for the operations, methods and procedures he reviews. If he is not independent he cannot be expected to carry out his work in a manner sufficiently objective and impartial as to best serve the needs of top management. The internal auditor should be responsible to an official at a sufficiently high level to assure adequate consideration and advice on his findings and recommendations.

Since the comptroller must at all times be responsible for the effectiveness and adequacy of the system of internal control, the independence of his office is just as essential in presenting financial facts and figures fearlessly to top management. Such independence is in fact the keystone of the system of internal control.

We therefore recommend:

- (a) that the comptroller be authorized to establish and operate an internal reviewing function under his direction embracing auditing work as such as well as a continuing review of all methods and procedures affecting the system of internal control throughout the corporation;
- (b) that in view of the prime importance of the financial and accounting responsibility in the corporation's operations and for the purpose of ensuring the independence of his office, the comptroller and chief financial officer should report directly to the chief executive officer of the corporation. We think the responsibility is both too large and too important to be made only a part of the responsibilities of the vice president of administration and finance, as is presently the case.

Our recommendation (a) above—

that is the recommendation on the internal reviewing function.

—does not contemplate the employment of additional outside staff. A reorganization placing the existing methods and procedures staff under

the comptroller's direction would appear to be the principal change involved.

The secretary of the board of directors, on December 14, 1960, advised me as follows:

The financial duties and responsibilities normally carried out by the vice president, administration and finance have recently been assigned to the comptroller on a temporary basis.

I will continue:

Although our work at this time has not included any detailed examination of the organizational structure of the corporation, we considered it desirable to discuss this with both the president and the chairman of the board in the course of the meetings already referred to. We stated that because of the importance of the system of internal control, particularly with regard to its accounting and financial implications, we are of the opinion that a useful purpose would be served by having the corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our office. We believe that an independent evaluation of the organization from the standpoint of its effectiveness as well as the corporation's needs now and in the future, merits the consideration of the board at this time.

On December 14, the secretary of the board of directors replied as follows:

The corporation has instituted during the past year very substantial changes in its organization. Many changes are yet to be implemented and further changes are being studied. After full consideration, the corporation is of the opinion that a study at this time should not be pursued but that the situation be reviewed periodically, possibly every six months.

The final paragraph of my report is our standard one to the effect that we would be glad to review any additional information required in connection with our examination. The report is then signed by me as the Auditor General.

That completes the rundown on my report.

Mr. McGRATH: May we adjourn until this afternoon in view of the time?

Mr. SMITH (*Calgary South*): I think that would be useful.

The CHAIRMAN: Is it agreed by the committee that we adjourn at this time?

Mr. FISHER: And let twenty minutes go to waste?

Mr. HORNER (*Acadia*): I support Mr. Fisher.

Mr. FISHER: If it is the general feeling of the committee, fine; but it seems to me we have been pressing on so nobly.

Mr. HORNER (*Acadia*): I think we could proceed for a few questions.

The CHAIRMAN: What is the wish of the committee? Do you wish to adjourn now and come back at 3 o'clock? Would those in favour of adjourning now please indicate.

Those in favour of asking questions at this time?

Very well, we will carry on.

Mr. FISHER: I will start at the last thing first. You have made a recommendation that independent management consultants examine the structure, and the board has replied that because of a change going on at the present time they are not considering it now but are reviewing it periodically. What do you take to be the meaning of their answer, that the situation will be reviewed periodically, possibly every six months?



Mr. HENDERSON: I mentioned that I have had no further advice from either the president or the chairman of the board on this point. I do not regard the answer given on December 14 as a particularly satisfactory one, and I so advised the chairman of the board verbally and also the comptroller. I have not spoken to Mr. Ouimet about it.

Mr. FISHER: In your opinion was the answer unsatisfactory or vague? I mean, does it set up a response and give you nothing?

Mr. HENDERSON: I really do not know any more about this point than is stated here in the reply the secretary sent me. I would point out that currently my officers are engaged on the audit for the year ended March 31, 1961, and we have not yet reached the point of my going over the accounts or following up these matters. Therefore, I would not wish to comment on the state of affairs at this time.

Mr. FISHER: You are in no position to know anything about the details of this, or how many persons are involved or how they affect the organizational structure.

Mr. HENDERSON: I did not get the question.

Mr. FISHER: You are not in a position to know these changes which are taking place.

Mr. HENDERSON: Yes sir. The corporation is making available to me its records and whatever information is asked for. Consequently I am in a position to know the extent to which they are implementing these. Of course, I do not know their plans. I have not appeared before the board of directors although I offered to go to one of their meetings to elaborate on this report.

Mr. FISHER: You have offered?

Mr. HENDERSON: Yes; last June.

Mr. FISHER: And the offer was not accepted?

Mr. HENDERSON: No.

Mr. HORNER (*Acadia*): Was that before the board of directors?

Mr. HENDERSON: I should explain that I went over this report in draft form, to be specific on June 14, with Mr. Ouimet and Mr. Carter who is the vice-president of administration and finance. They met with Mr. Stevenson, Mr. Stokes and myself, at which time we went over all the points which are contained in the report. The following day I asked Mr. Dunsmore to come to my office—June 15. He met with me and with my assistant Mr. Stevenson and Mr. Stokes and we went over the report points with him. On both these occasions I stated—and I have it in my notes—that if they felt that a useful purpose would be served in my sitting down with the board and discussing the details I would be very pleased to do so.

Mr. SMITH (*Calgary South*): Yet, on examination, Mr. Ouimet indicated, when asked whether or not any thought had been given to having an analysis made of the corporation—

Mr. McGRATH: Management analysis.

Mr. SMITH (*Calgary South*): —my recollection is he indicated that because of the type of business which the corporation undertakes it might be difficult to find a company which had suitable experience to carry out such an examination. I read that your recommendation is in terms of the organizational structure, in terms of its present size, complexity and cost, and I gather you consider there are quite suitable persons who could carry out such an examination?

Mr. HENDERSON: Yes sir; based on my experience as a chartered accountant with thirty years experience and having some understanding of the consultant business, I see no problem in obtaining experienced people to approach this particular task.



Mr. McGRATH: Are there any specific types of management consultants in the field who specialize in an analysis of broadcasting networks and broadcasting companies.

Mr. HENDERSON: Not in Canada. There are in the United States, but this is an international fraternity, and I do not think there would be any problem in finding persons of sufficient experience and judgment in large businesses to examine the details of this. I may say that I had not contemplated that a too exhaustive examination in depth would be necessarily called for, which would run into a lot of expense. The corporation itself conducts a sort of running management audit by its own people; they have very detailed records of the staff, the history of it, job specifications and all that. I would imagine the job could be done on a fairly modest budget.

Mr. SMITH (*Calgary South*): At any time, during the period in which you served as comptroller of the corporation, did you suggest to your superiors that this would be a suitable move to make by the corporation to have this carried out? Or, did you not consider it your responsibility?

Mr. HENDERSON: No. I did not consider that my responsibility. I had many frequent and useful talks. We were working through a period of implementing, as I mentioned, the actual recommendations of the Fowler commission and developing comprehensive monthly statements, which represent a very good management tool today, and I am afraid most of our time was devoted to that.

Mr. CHOWN: Mr. Henderson, it is not a fact that a firm such as J. D. Woods & Gordon Limited, which represents itself as a firm of management consultants, and which did such a job for Polymer, for example, could conceivably do this job?

Mr. HENDERSON: I am the auditor for Polymer.

Mr. CHOWN: You know of the fact that they were so retained. Is that not true?

Mr. HENDERSON: Quite; some years ago.

Mr. CHOWN: Polymer was before the public accounts committee and at that time they said to me—privately; it is not on the record—that this firm, without any technical knowledge of a highly technical production center such as the production of rubber, came in and did very useful work in terms of their internal accounting procedures, their administrative control, inventory control, and other things. This leads me to believe it is not necessary to have people who have an intimate knowledge of the specialized field such as broadcasting or the production of rubber in order to streamline procedures and make recommendations which would lead to general economies across the board. Would you agree with that?

Mr. HENDERSON: Yes sir; absolutely. That is my experience.

Mr. FISHER: Normally, would your report on this come before the public accounts committee?

Mr. HENDERSON: No. My report to the House of Commons comes before the public accounts committee. It is left to me to decide what is required to be placed in my report to the house.

Mr. FISHER: It was not in your report to the house this year?

Mr. HENDERSON: No sir. I followed the pattern established by my predecessor of reporting only matters dealt with in the statutory reports of crown corporations. However, the public accounts committee will be discussing the paragraph in my current report on this point and I will be interested in exchanging views with you on this point at that time.

Mr. FISHER: Could I come to the point in respect of independence of the internal auditor, the comptroller, and chief financial officer. Could you tell

us what you had in mind insofar as the independence of the internal auditor is concerned.

Mr. CHOWN: And to what extent it has been carried out.

Mr. HENDERSON: During the period of time that I was chief financial officer, there was an internal auditor and I think about three or four assistants. I was obliged to use their services in connection with a very large-scale film investigation which took place in the summer of 1959. I should explain to you that Mr. Davies, the present comptroller, was my assistant. He is now comptroller. Both Mr. Davies and I had in mind that we had to get busy and sort out the internal audit function. Unfortunately, we were unable to complete that before I left. In the meantime, the corporation has a number of other departments like management audit and methods and procedures. The internal auditing function, at the time I examined it last year, was still in a fairly vague state. Although the secretary of the board of directors has not commented on this point back to me from the board of directors at all, Mr. Davies has had meetings with me and my officers and we now are working together in an effort to set it up along the lines set forth in this report.

I may say that the principal road block in this whole situation was Mr. Davies' own position as comptroller, in that he did not report to the chief executive officer, namely the president and he, in my opinion, did not have the independence which his job requires.

Mr. CHOWN: To whom did he report?

Mr. HENDERSON: To Mr. Carter, the vice-president of administration and finance. I believe Mr. Ouimet already has mentioned that in December, as is indicated here by the secretary, that Mr. Carter's title was changed to vice-president of administration. I have been advised that the financial duties and responsibilities normally carried out by the vice-president have recently been assigned to the comptroller on a "temporary basis". I do not understand what on a "temporary basis" means. I would hope that it might be the subject of some announcement. It is very important that the chief financial officer be independent right to the top executive. This is a cardinal rule in all principles of internal control. I believe the seriousness of this is something which the board of directors itself must try to understand.

I would like to say that I feel one of the important witnesses in this connection for this committee to hear would be Mr. Dunsmore in his capacity as the chairman of the finance committee, which is set up by the board of directors for the express purpose of going into these things.

Mr. SMITH (*Calgary South*): May I ask whether or not Mr. Henderson, in his reference to the savings which might be made, could give us any estimate of what savings might have been made had payment for the film been made in Canadian dollars?

Mr. HENDERSON: I think you will appreciate that to have put in accountants, even in my position as Auditor General, to ascertain this, would have been a rather difficult task, not to say an embarrassing task. The only approach I can bring to it is to say to you that the amount of the budget devoted by the corporation to films is in the order of \$6 or \$7 million. I suppose ninety per cent of them were made in the United States and the Canadian dollar at that time in terms of United States dollar was at a premium of five cents.

Mr. SMITH (*Calgary South*): Is there no reason given as to why payment was not made in Canadian dollars?

Mr. HENDERSON: I have not been able to obtain any more information on this than I have here.

The CHAIRMAN: Could we stay on one subject?



Mr. FISHER: I would like to ask Mr. Henderson more on the point Mr. Smith was on earlier. You were in a unique position as Auditor General in connection with this particular item. I would like to ask you in fairness—and I am not bringing this out as a criticism—whether your recommendations were affected to a great degree or a small degree by your experience as the comptroller of the Canadian Broadcasting Corporation?

Mr. HENDERSON: In respect of the recommendations made in this report?

Mr. FISHER: Yes.

Mr. HENDERSON: Yes sir. As you can appreciate I faced a rather difficult personal problem here. I gave that matter very considerable thought, and came to the conclusion that on the basis of my experience I might be a better auditor.

Mr. McGRATH: There seems to be a very vast difference of opinion between yourself as Auditor General and the president of the corporation arising out of this business of management consultants. I may refer to our minutes of proceedings and evidence of April 20, at page 451. I asked Mr. Ouimet:

First of all, did you consult, or did you give consideration to consulting a management analyst before you changed your present organization structure?

Mr. Ouimet replied:

Yes, I gave consideration to it and, if I may say so, considerable consideration. However, the nature of the change which was indicated did not seem to require consultation. I think it would have been wasted money. It would have cost a great deal of money, and I do not think it would have changed anything. There are not many ways of organizing an operation such as ours.

Mr. HENDERSON: May I say that Mr. Ouimet was, quite properly, exercising his prerogative as chief executive officer to make whatever changes he saw fit. I think we must be quite clear on that point.

Mr. McGRATH: Yes; but were you aware of this difference of opinion between the president and yourself on this business of management consultants.

Mr. HENDERSON: The difference of opinion became quite evident, I might say, at the time we met to review the draft report which you have just heard. You have to appreciate, I think, on this point, that the corporation has certainly had its fair share of going over by people from royal commissions, and if there is a reluctance to want to have one more, it is quite understandable.

The CHAIRMAN: Mr. Regnier has been waiting to ask a question.

Mr. REGNIER: Mr. Chairman, my question was asked by Mr. Smith.

The CHAIRMAN: Would you proceed, Mr. Simpson?

Mr. SIMPSON: Supplementary to this question of the recommendation being made that a study be made by independent management consultants, in your opinion about what length of time would a study of that nature consume?

Mr. HENDERSON: I would not like to commit myself on that. I would say that it could be done at a fairly rapid pace, it being understood that certain aspects would not be gone into.

I think the terms of reference should require a separate study. My office would be of considerable assistance because of our familiarity with the details, much more so than new people coming in, because they would have to learn about it from the ground up.

You have a precedent in this from the public accounts committee last year, in relation to Crown Assets Disposal Corporation, where I worked with Price Waterhouse, and I think Mr. Chown is familiar with that. We worked together, and I think all management consultants coming into a corporation should certainly work with the auditors, because time is saved, and time is money.



Mr. SIMPSON: You would not be prepared to say, from past experience on some of these corporations, as to how many months it might take?

Mr. HENDERSON: No, I think it would be unrealistic to say so at this stage. It would depend upon many things. I would like to give that some further thought, if I may.

The CHAIRMAN: It is now time to adjourn, and we will meet in this room again at three o'clock this afternoon.

### AFTERNOON SITTING

THURSDAY, June 1, 1961.

3 p.m.

The CHAIRMAN: Order, please. We have a quorum.

I think when we adjourned before lunch, questions were being asked of the Auditor General on the recommendations in so far as management consultants are concerned. I do not know if any of the members wish to ask any further questions, but I believe Mr. Horner was next in line.

Mr. HORNER (*Acadia*): My question stems out of the last part of the statement made by the Auditor General this morning in regard to the internal comptroller, who worked absolutely independent of all other persons concerned in the corporation. I am wondering, in your opinion, just whom he should report to. You stated this morning that it was the president, and not the vice-president, or something to that effect.

Mr. HENDERSON: The point is that the comptroller or chief financial officer should, in my experience and in my opinion—and I suggest that it is peculiarly applicable to this particular corporation, for the reasons that are contained in my report—report to the chief executive officer, in this case to the president, Mr. Ouimet. He now reports direct to him.

Mr. HORNER (*Acadia*): Under a temporary arrangement.

Mr. HENDERSON: That is what the secretary of the board of directors advised me, and as to what that means, I am not clear but, presumably, Mr. Ouimet would be able to answer that for you.

Mr. HORNER (*Acadia*): Although I really do not know the operation too well, in thinking along the lines that you stressed this morning, that he should be completely independent, would it not be better if he reported to, say, the chairman of the finance committee of the board of directors, rather than to the president? Would not this create still greater independence?

Mr. HENDERSON: That might be, but I think the prerogative, in the orthodox sense, would be and should be in the president. The finance committee of this corporation and its chairman are a part-time establishment, and unless the chairman is a full-time person, active in the day-to-day operations, he obviously could not be expected to be as familiar with the operations as the president. In this case, we have the president, Mr. Ouimet, who is the person best informed in these matters.

Mr. HORNER (*Acadia*): Perhaps the finance committee of the board of directors should be put on a permanent basis, and not on part-time?

Mr. CHOWN: Is there any precedent for this proposition by Mr. Horner among other crown corporations, such as the C.N.R., Polymer, Eldorado, and so on?

Mr. HENDERSON: The comptroller of Polymer reports to the president, and the comptroller of Eldorado also reports to the president.

Mr. CHOWN: Now, in connection with Mr. Horner's question, if I might elaborate on what I was getting at: I was leading to the proposition that the chairman of the board of this corporation might be put on a full-time basis, and I was following up by asking if there was any precedent for this among the other crown corporations. Are there any full-time chairmen of the board?

Mr. HENDERSON: Perhaps Mr. Stokes would answer that question.

Mr. A. B. STOKES (*Audit Supervisor, Auditor General's Office*): Would you mind repeating the question again, please?

Mr. CHOWN: Well, Mr. Horner was implying, by his interrogation, that there might be some merit in having a full-time chairman of the board of the C.B.C., and there was some comment in that direction by the Auditor General in that he feels the comptroller cannot, on a continuous basis, report to the chairman of the board of the C.B.C. because he is not a full-time man, and I was asking, in following that up, if there is any precedent among other crown corporations for full-time chairmen of boards, as, for example, in the case of the C.N.R., Eldorado, Polymer, and so on.

Mr. STOKES: No, I cannot say that there is. I think the C.B.C. is special, in the sense that it has a chairman of the board and a president. In most instances, the chairman of the board and the president are the same man.

Mr. HORNER (*Acadia*): To take this precedent one step further, what is the rule with the other crown corporations in regard to the president and the vice-president? I believe they are both members. Is this a standard thing?

Mr. HENDERSON: It is pretty well standard, on the theory they naturally would bring to the board a greater degree of know-how, a continuity of operation, and so forth. However, there are a number of other corporations, not all crown corporations by any means, where the chief executive officer is not, in fact, a member of the board of directors.

Returning to your earlier question, Mr. Horner, I would give you my opinion, for what it is worth, that in the case of this corporation I think its chairman should be on a full-time basis.

Mr. McGRATH: Would you elaborate on that, please?

Mr. HORNER (*Acadia*): I should like to go a bit further, if I might. I was referring to the chairman of the finance committee, Mr. Dunsmore.

Mr. HENDERSON: He is one of the directors. He is the chairman of the finance committee.

Mr. HORNER (*Acadia*): And do you think he should be on a full-time basis, as chairman of the finance committee, or chairman of the board?

Mr. HENDERSON: One of the continuing duties of the chairman of the board could be that of chairman of the finance committee. As is always the case, a great deal depends upon the rapport that exists between your senior officers, the harmony and working conditions, and things like that.

The CHAIRMAN: Have you a question along the same lines?

Mr. FISHER: No; it concerns a different subject.

Mr. McGRATH: I have a question along the same lines. In your experience as Auditor General, is it usual practice for crown corporations to adopt, in the main, the recommendations of the Auditor General, following his audit?

Mr. HENDERSON: Well, Mr. McGrath, I have only 15 months' experience—

Mr. McGRATH: But, I am just asking you on the basis of what you know about the job.

Mr. HENDERSON: In saying to what extent recommendations are adopted, I would make this observation—and perhaps a more appropriate place would be to make it in the public accounts committee—that we have issued, in the past year, I suppose 25 or 26 reports similar in makeup to this, and the majority of



our recommendations and suggestions have been adopted. In fact, we are in receipt of some very nice letters from the various managements, extending their thanks for the help we have tried to give. I find this very encouraging.

Mr. McGRATH: Is it fair to say, then, that C.B.C. have been perhaps a little bit tardy in dealing with your recommendations?

Mr. HENDERSON: I do not know what a definition of tardiness would be in this case, except to say that I did not feel that the replies they have sent to me on some of the points are adequate, and I expressed that view to Mr. Dunsmore.

The CHAIRMAN: Would you proceed, Mr. Fisher?

Mr. FISHER: I wanted to ask Mr. Henderson a couple of questions on a different topic.

When Dr. Stewart of the B.B.G. was here, he pointed out some difficulties that came up with their board, with regard to the payment of people who were on the board, but not on a full-time basis.

We have had a request from the C.B.C. in so far as any change in the act is concerned, to increase the number of directors. Have you looked into the remuneration of the part-time members of the board at all—as to how they are paid and the system under which they are paid?

Mr. HENDERSON: Yes; it is our duty to check the moneys paid to them.

Mr. FISHER: How does the payment work? This was brought up when Dr. Stewart was here, and the example he gave was where a part-time member of the board in Vancouver could be called by one of the permanent members of the board. He gave the example of Mr. Allison, when he came to Vancouver to consider a problem before the board—a problem which was particularly relevant to that area. The C.B.C. has asked us for more members so that they may have better geographical representation. It is conceivable that some members of the board of directors could be active in a part-time or regional way. What has been your experience with payment to members of the board at \$100 a day, or whatever they get? And has a system been worked out for partial payment to them, let us say, for part-time activities, perhaps not in Ottawa but at some place else?

Mr. HENDERSON: Well, Mr. Fisher, I cannot comment at the moment on what our findings have been with respect to the fiscal year ending March 31, 1961, because I have not yet completed my audit. But I take it your question has to do with the fee of \$100 a day which, under the act, a part-time member shall be paid. The act says he shall be paid a fee of \$100 a day while attending a meeting of the board or a committee thereof. In all these things I am vitally concerned, of course, as an officer of parliament, with what the intent of parliament was when it said that. I am old-fashioned enough to believe that \$100 a day for attending a meeting means precisely that; and that if a meeting goes on for only half a day, the man should get \$50; if it goes on for only a quarter of a day, he would get only \$25.

Mr. FISHER: Is that actually the practice at the present time?

Mr. HENDERSON: I would have to check and report back because, as I say, my audit notes are not complete yet for 1960-1961. I think that "per day" means the kind of day that you and I work, probably including the evening too.

Mr. FISHER: So that if the board of directors of the C.B.C. met for two days and carried over for a committee meeting the next morning, your ruling would be that on the third day they would be paid only a fraction of the day's fee?

Mr. HENDERSON: I would say it is a good question. I would think the payment should be say, \$250, but possibly some lawyer could come forward and claim that it should be \$300.

Mr. MACDONNELL: If a businessman were away from his own business for three days, would that not affect your judgment at all? You gave an illustra-



tion of a meeting lasting only a quarter of a day. Suppose a man had to leave his place of residence to attend a meeting in Ottawa, it seems pretty hard that he should be given only a quarter of a day's credit for his efforts.

Mr. HENDERSON: In answer to this question I am only going by the wording of the act, and that wording is \$100 per day. It seems to me it is only to be paid to a member while attending a meeting

Mr. FISHER: It has been suggested to me by an associate close at hand that there is a treasury board minute in effect which applies in certain areas for a fraction of a day, and that it means a fraction of a day in terms of payment. Would you care to comment on it?

Mr. HENDERSON: That is most encouraging. I do not think I am familiar with that minute. We will certainly check it.

Mr. SMITH (*Calgary South*): I believe there is a minute whereby—as an example—people serving in the capacity of delegates or on the executive staff at the United Nations get an allotment of \$10; and if, for the sake of argument, a person is away hours only a portion of the allotment is paid.

Mr. HENDERSON: Thank you for that information.

Mr. MACDONNELL: Well, if that is recognized practice, that is all very well.

Mr. SMITH (*Calgary South*): I do not know how broad this is.

Mr. HENDERSON: These payments are made by the chief treasury officer as you know, or by the accounting department of a crown corporation such as the C.B.C., and it is our duty to check them.

Mr. SMITH (*Calgary South*): Of course it is possible that this ruling or minute may apply only in a limited area, but it has been a practice which has been followed.

Mr. CHOWN: A brief question supplementary to that: what about the person who has to go out of town? Will he receive his expenses for accommodation, meals, taxis, entertainment and so on? If so, is there any evidence which could be produced to show this amount over and above their \$100 a day?

Mr. HENDERSON: They are entitled to out-of-pocket expenses while attending meetings. This applies from their point of departure until their return.

Mr. CHOWN: Coming back briefly to the subject we were discussing this morning, it is true that Mr. Henderson said last year in the public accounts committee—and Mr. Henderson will correct me if I am wrong—that Crown Assets had retained a management consultant. I believe that they did so unilaterally without consulting the Auditor General; and it was found, when they got into this particular corporation, that they were trying to put in accounting procedures, and so on, which were out of step with those used under the supervision of our Auditor General throughout all the other crown corporations and departments of government.

I take it that if management consultants are retained by crown corporations to supplement the work done by the Auditor General, he would feel he should be in the capacity of principal, and that as principal he should retain under his supervision such management consultants as he feels are competent and capable of doing the job. Would that be a reasonable paraphrase of your comments this morning? It was not clear.

Mr. HENDERSON: That is correct.

Mr. CHOWN: You would agree?

Mr. HENDERSON: Yes.

Mr. MCGRATH: My question is along that line, and to make it a little clearer I would refer to the Auditor General's report, at page 15, where he makes reference to the corporation's organizational structure in terms of its

present size and complexity and cost. It states that an independent management consultant should work in co-operation with the Auditor General's office. Does that mean that he should retain the management consultant?

Mr. HENDERSON: I am particularly interested in their work. It does not necessarily mean that I would be the person who would employ them. I think you and I would like to know that this thing is being approached just as objectively as possible. My office obviously has certain limitations in this matter. We are auditors. We can make contributions to this work in the same way that I feel we made them in the case of the Crown Assets Disposals Corporation, which Mr. Chown mentioned. We worked with Price Waterhouse and Company, going into the operations of that corporation, and it resulted in considerable savings. We can save the time of the consultants who come in, because invariably when people are unfamiliar with the ramifications of an organization like this, they must take a considerable amount of time to familiarize themselves with everything from the ground up, and this not only taxes the client to capacity in explaining the system, as in the case of the C.B.C., but it also runs up quite a bill, because these services are not cheap.

Mr. McGRATH: To whom should they report if such a study were undertaken?

Mr. HENDERSON: It would depend on where the instructions for the work came from. If the instructions came from this committee I think they should report to it or to parliament. However, if the board of directors acquiesce in this, then the report should be made to the board of directors. I invited the board of directors, the people who, under the act, have to take the responsibility for this corporation, to consider this and discuss it with me so that we might be able to work it out together, but that has not taken place. If this committee should see fit to incorporate such a recommendation in its report to parliament, that recommendations could require me, as your servant, to proceed along these lines and to make my report in due course to parliament.

Mr. CHOWN: I think we should consider it for further clarification, in the light of the committee member's ruling on the Glassco commission, with respect to this corporation, and see to it that there would not be any possible duplication of work.

Mr. HENDERSON: Now, Mr. Chown, it is not my purpose, of course, to speak for the Glassco commission, but this is a point that I have reviewed: I may say that I understand the Glassco commission to be primarily interested in the organization of the government and the possible duplication of services, which is why it is approaching its work on a project basis. We are working closely with them on these accounting and financial control project not only in government departments but also in the crown corporations. I may say that this major investigation, I am told, is of government departments. I gather they do not propose to go into any of the crown agencies in any depth to do a job such as is proposed here. In the course of their work they may find that a case is to be made for going in depth into, let us say, the C.B.C. I gather they would point this out, perhaps, in their final report, and suggest that this or that department or crown agency might usefully be examined in detail. In such cases, it might be that the comptroller of the treasury or I should go in and do something.

Mr. MACDONNELL: Is this not the time to find the division of labour.

Mr. HENDERSON: This point could be checked with them. For the information of this committee, I made a particular point of discussing this aspect with them in order to ascertain that there would be no duplication. I believe I am correct in saying now there would not be.



Mr. FISHER: In looking at this report, I notice you have made no criticism about the actual form of the presentation of the C.B.C. accounts. Is that correct?

Mr. HENDERSON: That is correct. I have had something to say, for information only, as to the basis on which they were set forth.

Mr. FISHER: In respect of other crown corporations you have made specific recommendations, have you not, in the last year, apart from their accounts and the need for more information.

Mr. HENDERSON: In my statutory report I have directed attention by way of explaining the impact and the meaning of some of the figures, because some of the balance sheets, I feel, are not very intelligible to a layman. I feel the layman, as the man with the money in these enterprises, should have these set out as simply and straightforwardly as possible for him. Accordingly, if there is any element of doubt, in my statutory report which is appended to the accounts I take advantage of the opportunity to explain it. If you will refer to my report on the unmarked page in this report, which is the statutory report required under the Financial Administration Act, you will see that I say, as is required under the act:

In compliance with the requirements of section 87 of the Financial Administration Act, I now report that, in my opinion—  
I felt, however, that the new format which appeared as at March 31, 1960, was so different to that of previous years that it was an item of interest to parliament and to the public to say what I said in the second paragraph, namely:

A revised accounting system was adopted by the corporation, effective April 1, 1958, ...  
and then I conclude by saying:

The statement of operations of the corporation for the year reflects the results from operations on the basis of the revised system and shows the comparison with like figures for the previous year.

I may say that before I append my signature to these reports there ensues not a little discussion in some cases between me and the client as to the form the statement will take, because as I said earlier, I believe that clarity of presentation is of very great importance in presenting the figures.

Mr. FISHER: In some you feel this clarity now has been achieved so far as the C.B.C. is concerned?

Mr. HENDERSON: I do not; but I feel the corporation has made very great strides in the presentation of this particular statement for the year ended March 31, 1960. As yet I have not discussed the format to be employed for the year just ended.

Mr. SMITH (*Calgary South*): I wonder if I might go over the ground once more for a moment in relation to the question of the independence of the chief financial officer of the corporation. You made a recommendation here in which you suggested, or stated, that the chief financial officer should report directly to the chief executive officer. You think the responsibility he has is too important to become only a part of the responsibilities of the vice-president of administration. The question I would put to you is: undoubtedly you have given a great deal of thought as to whom the chief financial officer of the corporation should report. Did it enter your mind to have him report to any person other than the chief executive officer? I am not casting any reflection on any personalities, but I am wondering whether or not it occurred to you that in order to achieve complete independence it might be better to have the comptroller report to the financial chairman of the board, for the sake of argument.

Mr. HENDERSON: I think you are back to the point Mr. Horner made. Under certain circumstances a case could be made for that, but in view of the fact



that the present chairman of this board is on a part-time basis, that alone would eliminate it in my view. All things being equal I believe we must respect the position of the chief executive officer, in this case the president.

Mr. SMITH (*Calgary South*): Thank you.

The CHAIRMAN: Are there any other questions?

Mr. McGRATH: May I refer to the questioning by Mr. Smith this morning in respect of page 9 of the report dealing with the film inventories.

Mr. MACDONNELL: May I ask a final question in respect of the outside scrutiny. I am still a little perplexed about that. The Auditor General said that Mr. Glassco was not proposing to survey the crown corporations in depth. I am not sure what that means. To me it seems that here he is engaged in this work which is very similar to what would have to be done in the C.B.C. After all, government organizations are somewhat similar. I would just like to feel that the Auditor General himself wholly approves of that. It seems to me there would be a certain amount of common sense in having Glassco do this. The reasons against it may be sound, and if so I bow to them.

Mr. HENDERSON: If I may follow up your thought, it is this: if this committee, in its report to parliament, decided this is a worth-while proposition, and so recommends, and I find myself in the position of participating in it along the lines we are discussing, I would most certainly sit down with Mr. Glassco and his associates immediately to see how this could be worked out and achieved. At this point it is largely hypothetical. I do not know what he would say to me. I have tried to outline what I understand to be his present approach. If we had your recommendation here I would not carry it out without such consultation.

Mr. CHOWN: On a point of order, would it be more expeditious if we took each page of the report and asked questions on it in order to get through it as quickly as we can.

The CHAIRMAN: I do not think that is necessary at all. I believe particular persons have particular questions and should be allowed to raise them.

Mr. McGRATH: You perhaps will have to draw on your knowledge as the former comptroller of the corporation to answer this question, but I believe it is in order. With reference to your comments on the film rentals you say there was no specification in the contract with regard to the form of the payments for the film rentals and that the films which were bought during those years when the Canadian dollar was at a premium were bought with Canadian currency through the Canadian representatives. Could you enlarge on that. Are you saying in effect that these contracts could have been undertaken with the parent companies in the United States.

Mr. HENDERSON: In this connection I found myself, as the chief financial officer of the corporation, in the position of asking some questions, because it was my responsibility to sign the contracts with the president. They would be prepared and come to me for execution. In the course of reading these, I found that the kind of dollars required to pay for these contracts was not stipulated. As we know, there are several kinds of dollars. This rather intrigued me because the United States dollar could be bought for ninety-five cents or thereabouts during the time I was looking at these. Therefore I thought there was a case for spelling out in the contracts the kind of dollars. That led me to ask further questions as to what extent had the premium savings been taken into account in negotiating the price.

I must say to you, that in the course of these inquiries I did not get the basic information I was after. I received cooperation from my associates, but there were a great many things involved and it proved very difficult to go back and determine what the basis might have been. Matters reached a point

where I discussed this with the president. I think it was late in November in connection with a group of contracts of about \$1½ million. I believed there was a pretty good case for tackling the distributors and tendering United States money. The United States film distributing companies have subsidiaries in Canada and it is with these subsidiaries the corporation was dealing. Therefore, as you can imagine, a string of questions emerged in my mind. I may say I had several discussions with the president about this, with Mr. Gilmore, Mr. Laidlaw and several of the gentlemen here, in addition to Mr. Dunsmore the chairman of the finance committee who thought it was an extremely good point.

Among other things, he thought there was a good case for the corporation to buy direct from United States because of its rather extraordinary monopoly position. I was Scottish enough to think that if I could buy something for ninety-five cents instead of a dollar out of public funds it was good business.

As you will appreciate, back of all this there was a string of arrangements, and commitments made and I am afraid I found myself in the position of holding up the execution of some of these documents. Accordingly, at a meeting I had with the president and our various associates, I agreed to sign the contracts and get on with the job; but it is something which I feel strongly should be investigated. I do not think the replies I received from the president on the 14th of June, or from the secretary of the board of directors, in the evidence I gave this morning, have answered that yet.

Mr. CHOWN: Conceivably the savings on \$1,200,000 would be 5 per cent, or \$75,000, and earlier this morning the Auditor General mentioned the figure of an inventory of some \$6 million, and indicated that 90 per cent of these films are bought in the United States.

Mr. HENDERSON: More or less 90 per cent; I would stand to be corrected on that. Obviously, the films they show are largely from the United States. However, I do not know the precise percentage.

Mr. Stokes has just informed me that it might be closer to 75 per cent.

Mr. McGRATH: Mr. Chairman, I have a supplementary on the same subject.

Mr. SMITH (*Calgary South*): So have I.

Mr. CHOWN: I was going on to say, it would work itself up to a maximum of approximately \$¼ million on the basis of the 75 per cent inventory with that discount. However, in any case, I yield the floor on that.

Mr. SMITH (*Calgary South*): You have stated this morning that, in discussing the matter with the executive officers, you did not receive any satisfactory explanation as to why the American dollars were used, and you indicated a few minutes ago that you thought you should accept the fact, of course, that if any saving could be made down the line, it would have been satisfactory to have used Canadian dollars. I assume, therefore, that you explored any of a number of combinations that might have produced some explanation on this factor. Obviously, with a Canadian company having the rights to these films, the corporation perhaps felt that they should deal through the company holding these rights. There was not any suggestion in your mind that any price differential was not taken into consideration in the total cost of the films, so far as the difference in cost between American and Canadian dollars was concerned, was there?

Mr. HENDERSON: If there was, I never found out.

Mr. McGRATH: In other words, the corporation paid 5 per cent more for the films, anyway—from 3 to 5 per cent.

Mr. HENDERSON: That is the obvious deduction, Mr. McGrath, I would say.

Mr. McGRATH: Then, a moment ago, when you referred to the position of the corporation, being a monopoly as a consumer of these films in Canada, these film companies—and I think there are only three or four large ones—



Mr. HENDERSON: I think there are more than that.

Mr. McGRATH: Well, the larger ones. However, in the main, they are set up in Canada to do business with the corporation, primarily, because at this time the second stations were not in existence.

Mr. HENDERSON: Well, I cannot speak for the film companies, but my apprehensions on this, I might say, were not allayed by the fact that some of them were quite frank in speaking to me about the matter.

Mr. McGRATH: Some of the film agents?

Mr. HENDERSON: Yes, but that is only hearsay, and of course I was unable to prove anything.

Mr. FORTIN: Mr. Henderson, have you made a study of the methods employed by the C.B.C. for the buying of material used for the various productions, such as costume accessories, decor, motor vehicles, stationery, and so on?

Mr. HENDERSON: Are you speaking to me as auditor?

Mr. FORTIN: Yes.

Mr. HENDERSON: We have made tests, Mr. Fortin, and you will find this outlined on page 9, in the second paragraph. There is reference to a test check there, of the internal control existing in the area of stores control, and we selected the Ottawa regional stores for this purpose. You will appreciate that our work is carried out on a test basis. It has to be that way, as we are unable to check every transaction.

Mr. FORTIN: Is it my understanding that you do not know exactly how the C.B.C. proceeds, in their transaction for the buying of materials? What I have in mind is this: Do they normally proceed by public tenders, or do they do business direct with the firms selected by them? Are you aware of the methods used?

Mr. HENDERSON: In order to obtain a precise answer, I think that question should be addressed to the officers of the corporation, as I might do them an injustice if I answered this. Perhaps Mr. Stokes would care to comment on this?

Mr. STOKES: I would not care to.

Mr. FORTIN: Well, I will ask the question later. As auditor, would you recommend, for instance, that if it is not done, that the C.B.C. should proceed by public tenders, when it comes to the buying of their material? Would you recommend public tenders, or would you recommend that transactions be made directly with firms?

Mr. HENDERSON: Well not necessarily. I think we have to recognize that the C.B.C. as a crown corporation, is unlike a government department. It is expected to conduct itself along commercial lines and have a certain degree of freedom. I can understand their asking for tenders in the case of major purchases, but for the run-of-mine things which they require for their daily production, I would think a good case could be made for it following the accepted or orthodox normal business channels by buying in the best market at the cheapest price.

Mr. FORTIN: You do not think, then, that the best way to proceed would be through public tenders?

Mr. HENDERSON: If you examine this problem in detail, it might well be that you are touching upon something which could be safeguarded, if the system of internal control is functioning properly.

Mr. CHOWN: Mr. Fortin was looking to the general practice in other departments of government—if I might interject briefly—where there are very set policies in connection with total purchases which are permitted without public tender. Would that be a reasonable assessment of what he is trying to get at?



Mr. HENDERSON: I certainly would hope, gentlemen, that there might be enough confidence in this corporation's business methods so as not to hamstring it, and to leave it to use its best business judgment. This is a crown corporation and, as such, is expected to follow the best commercial practices.

Mr. CHOWN: Perhaps in this case they have confidence in the operations of the corporation, and the dollar limit could be set a good deal higher than it is in the department of Public Works where, I believe, it is \$25,000. Perhaps it could be set at \$50,000, \$75,000 or \$100,000?

Mr. HENDERSON: This is one of the questions you would have answered by having independent consultants look at this type of thing, because the business judgment of the people in the corporation would be one of the things the consultants should be required to assess.

Mr. MACDONNELL: There are two paragraphs on which I would like to have further explanation. One is on page 3, near the bottom, and it points out that in 1959 the vote was \$58,404,000 and, when you subtracted the \$52,300,278, it left \$6 million-odd, and the report says the corporation has not required the balance of this \$6,103,722. Then it says that the extent to which this amount was actually drawn down, but not needed, is shown on the balance sheet under "current liabilities" in the amount of \$2,341,157. It is that \$2,341,157 upon which I want a comment. The words used are "drawn down, but not needed".

My next question is that if this money was actually used, I suppose there is no question of the corporation paying it back?

Mr. HENDERSON: I think, in point of fact, they have paid it back. I believe it has been repaid. You see, treasury were advancing the money to the corporation faster than the corporation required it, and it was, therefore, using it to finance its current operations. However, as they approached March 31st, they had a date to keep, and they had to pay it back because it was not reflected by expenditures. Therefore, it appears on the balance sheet as a liability, and it is my understanding it has since been repaid. Mr. Davies is here and, perhaps he can tell you that.

Mr. MACDONNELL: Then that amount was accounted for?

Mr. HENDERSON: Yes.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: I want to go back to what Mr. Henderson said this morning. Mr. Henderson, am I right in interpreting one of your statements, this morning, as a suggestion to this committee that we have Mr. Dunsmore appear here, so that we can question him in relation to your report of the operations and so that we can ascertain the attitude of the finance committee to the analysis you have made?

Mr. HENDERSON: Well, sir, Mr. Dunsmore is a director of the corporation, and he is the chairman of the finance committee. As I have said, I discussed this report to the board of directors with him, it seems to me that he would be a very useful witness to have before this committee.

Mr. FISHER: Then, I would be interested in moving that Mr. Dunsmore appear before this committee, Mr. Chairman, if I can find a seconder.

Mr. CHOWN: I will second that motion.

The CHAIRMAN: It has been moved by Mr. Fisher, and seconded by Mr. Chown, that Mr. Dunsmore be called, when he is able to appear, and that the committee hear him.

Mr. SMITH (*Calgary South*): The question.

The CHAIRMAN: All those in favour?

Opposed? It is agreed. Mr. Dunsmore will be called after we make the necessary arrangements.

Are there any further questions?

Mr. SMITH (*Calgary South*): Mr. Chairman, I have a general question.

Mr. Henderson, you obviously had access to the Auditor General's report on the corporation the year previous to this. Did you see that report, sir?

Mr. HENDERSON: There was no long-form report made by my predecessor in the previous year.

Mr. SMITH (*Calgary South*): What I am trying to understand is this—and I am sure you will appreciate my problem: You have a unique position, in that at one time you wore the corporation hat, and you are now wearing the hat of the Auditor General. How many of these continuing problems which are contained so comprehensively in your report were perhaps those that were on your own doorstep when you held a responsible office within the corporation, and were any of these suggestions which you could have brought to the attention of management and, perhaps, corrected a year ago? For instance, let us take inventories, as an example.

Mr. HENDERSON: That is one question which I brought to the attention of the management of the corporation.

Mr. McGRATH: In what year?

Mr. HENDERSON: During 1959. In fact, Mr. Davies, who was my assistant at that time, and I, made a very comprehensive study of the entire film inventory situation. As a result of that, the corporation has been taking steps to reduce the size of its inventory and, currently, I believe it is down considerably. This is a pressing problem, because it ties up money. One of the points I had made was exactly why the corporation had to lay out this kind of money for the prepaid film rights so far ahead of time, when it could have been done at a later date.

Mr. McGRATH: How far ahead of time was that?

Mr. HENDERSON: Oh, it would lay it out six or eight months, or something like that.

Mr. SMITH (*Calgary South*): Would it be fair to ask if, at the time you were comptroller, you brought to attention the question in relation to the difference in currency between Canadian and United States dollars in payment for these films?

Mr. HENDERSON: Yes.

Mr. HORNER (*Acadia*): My question has to do with the bottom of page 4 of your report, where you speak of the remuneration paid to executive officers, the president, the vice-president and the assistant to the president. You say the footnote does not include the remuneration paid to the other four vice-presidents and three general managers. You say you believe that their remuneration should also be included as an appendix to the statement of operations. Is that what you mean there?

Mr. HENDERSON: Yes, sir. At the bottom of the statement of operations there is a note included which reads as follows:

Included in the above expenses for 1960 are \$50,375 for executive officers' remuneration, \$34,900 for honoraria to directors and \$36,961 for legal expenses.

That footnote is put there by reason of the requirement in the Companies Act, and in my opinion it should include the four vice-presidents and the three general managers. The corporation has since agreed with me, and that will be done as of March 31, 1961.

Mr. HORNER (*Acadia*): This explains why the four vice-presidents and the three general managers are not now included in the statement, and why they are not singled out, as is the case here?

Mr. HENDERSON: No, the salaries and expenses of operation are to be found above in the detailed expenses. But under the Companies Act the amount of actual remuneration paid to officers is required to be stated.

Mr. CHOWN: Other than expenses?

Mr. HENDERSON: Remuneration means the salary, not expenses.

Mr. McGRATH: What about their entertainment expenses?

Mr. HENDERSON: Entertainment expenses are not required to be shown by footnote. They would be found among the expenses upstairs in the statement.

Mr. FORTIN: Mr. Henderson, I am a little bit concerned about another point on page 8, under the heading "Inventories, Prepaid Film Rentals". I notice that in the province of Quebec there has been a tremendous increase from \$900,000 odd to \$1,800,000 odd. I see that this increase, when compared with the increase in other provinces, appears to be a bit abnormal. Have you any explanation to give on that?

Mr. HENDERSON: While this is a problem which I feel the officers of the corporation could answer better than I, Mr. Fortin, when we were wrestling with the problem the size of these stocks came up. As I mentioned earlier, the corporation has succeeded in reducing them to a better proportions. I recollect that the overstocking here took place following the Montreal strike, when they had to show a lot of film. This led to the figure doubling itself. This is a problem which concerned management. Mr. Dunsmore, and the finance committee made it the subject of very considerable discussion.

Mr. FORTIN: Personally, you were a little bit surprised when you saw this figure for 1960?

Mr. HENDERSON: Yes.

Mr. CHOWN: Of necessity, because there is a very substantial difference between the province of Quebec and other provinces.

Mr. FORTIN: Yes. Ontario indicates an increase of only \$172,000, while for the province of Quebec it is \$900,000.

The CHAIRMAN: Are there any further questions?

Mr. CHOWN: I wondered if Mr. Henderson would sum up his recommendations and general comments as a result of the tabling of this evidence, because I do not think we can progress much by continuous detailed examination. I think the report speaks for itself.

The CHAIRMAN: Have you any remarks to make along that line?

Mr. HENDERSON: Well, Mr. Chairman, if you are asking me to say what I think should be done in connection with this matter, may I remind you first of all that I am the auditor of this corporation and that in that capacity my knowledge of its operations is limited to its financial operations and to those matters having a bearing on its financial operations. Let me remind you also that in my capacity as the Auditor General of Canada it is traditional under our constitutional system that I should not trespass into the policy field either for or against a specific policy, but rather confine myself to commenting on the way in which the policy is carried out by the executive arm of government.

In appearing before you today I may have possibly transgressed this rule to some extent, but I have done so because, as you know, up to 15 months ago I was the chief financial officer of this corporation and could therefore speak directly from my own first-hand knowledge and experience. During the two



years I held this office, Mr. Victor Davies—who is here today—was my assistant. Mr. Davies was promoted to his present post on my recommendation.

I would say to you that in my opinion the testimony given to this committee during the course of its 25 hearings contains evidence on economies and savings which could be made in the operations of this corporation, and that such testimony in effect actually supplements and complements what I had to say in my report to the board of directors last June. However, like you, I find difficulty in coming to grips with the precise underlying causes and facts on which to recommend a remedial course of action unless an adequate and independent investigation to determine such causes is undertaken as a special matter. I think such an approach as this is only fair and just to the present management who, despite what we have found or what we may suspect, have most certainly given of their best in tackling a tough and difficult assignment. This is why I suggested to the board of directors last June that I thought a useful purpose would be served by having the corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent consultants working in co-operation with me as the auditor of the corporation. Such a study, complete with recommendations, would be of considerable and timely assistance to parliament.

If an examination such as this were undertaken, then I think it might be said that we are putting first things first, because until these very fundamental questions of organization, management and internal control are settled, it is difficult to make recommendations intelligently in other areas of the corporation's activities.

I would like to say also that I am pleased to find little condemnation in the evidence of your hearings concerning the existence or need for maintaining a national broadcasting service. Personally I am proud to be one of those Canadians who believes very profoundly indeed in the principles which the corporation stands for. I believe it to be one of the greatest, if not the greatest, forces of unification in our national life, and I pray that matters will never reach the point where such a vital and precious heritage is left solely to commercial considerations. That would be my last word on this subject.

Mr. FISHER: You were still holding down the job of comptroller following the recommendations made by the parliamentary committee in the summer of 1959?

Mr. HENDERSON: That is correct.

Mr. FISHER: And those recommendations indicated that the committee expected a re-organization in the C.B.C. management, with certain objectives in mind, particularly to bring better control of programming scrutiny. Is that not correct?

Mr. HENDERSON: I seem to recollect that, yes.

Mr. FISHER: My question is one of opinion, which you might not care to give; but from your experience inside, in that great effort, should not a period of time be allowed not only for the management to carry out such changes, but also for the structure to settle down, before it is examined again? In other words, what is your view on the validity of the president's reply?

Mr. HENDERSON: As I mentioned, I am in disagreement with the president on this point. I have stated my views. I made by recommendations, and Mr. Ouimet has made his.

Mr. McGRATH: Mr. Chairman, on a point of order, I think Mr. Fisher was referring to programming controls and to programming, while our investigation with the Auditor General has to do with finance. It seems to me that his question would be out of order.

Mr. FISHER: My comment was that since we had asked for a change in the structure of management, and since these changes have been carried out, and

as Mr. Henderson has been talking about this in his evidence, I think that not only the financial structure of the corporation but the whole financial side of it relates to management, so I submit that my question was in order.

The CHAIRMAN: Yes, I think it is in order, because it is a re-organization in business management not only from the point of view of finance but also from the point of view of other aspects.

Mr. FISHER: Naturally, those were the chief changes we asked for. The committee made some rather sweeping recommendations two years ago, as a result of which I understand the corporation has taken some action. I suggest it might be worth while to underline the recommendations before we make our report this year, and make further sweeping recommendations in relation to the management and structure. But I certainly want to say that in so far as the recommendations made here by the Auditor General are concerned, I could go along with them. However, I would like to ask Mr. Henderson something more: you say that you do not want to—or you cannot from your position—get into the realm of policy. I would like to know, if I put a question to you about possible policy, if you are in a position to indicate, not whether you approve or disapprove of any opinion, but whether it is possible, in your opinion, to work out a formula that would set a limit within a yearly or quinquennial framework to the operating budget of the C.B.C.?

Mr. HENDERSON: Yes, I think a good case exists for working out a formula in order that the C.B.C. may know what money it is going to get over a given period of years. There are various forms which this could take. This is a matter on which Mr. Ouimet and I have had a number of discussions and, based on my experience in the corporation, I believe it would be possible to have something like this established. However, the fact of the matter is that it is operating under its present establishment on an annual vote basis. In the light of the situation I described in my report, and in the light of the apprehension existing with respect to the manner in which the corporation spends its money, I would be less than frank if I did not say to you that I think a case exists today for its continuing to get its money on an annual vote basis.

Mr. FISHER: Do you think that after an analysis from management consultants we might then be in a better position to consider a formula?

Mr. HENDERSON: Yes, sir.

Mr. FISHER: You think we would then be in a better position?

Mr. HENDERSON: Yes, sir.

Mr. FISHER: Would it be conceivable?

Mr. HENDERSON: You are taking me pretty far into government policy, Mr. Fisher.

Mr. FISHER: Would it be possible for a management consultant firm to do the task you set out here, and also to approach it from the point of view of making recommendations—if this committee should ask them to do so—to parliament, for the purpose of obtaining a formula that would be related?

Mr. HENDERSON: This committee is all-powerful in this regard, and if in your recommendations on policy you sought to include terms of reference for such an undertaking, it most certainly could be included in the work to be done. That is the way I look at it.

Mr. SMITH (*Calgary South*): Supplementary to this, first of all I am happy that you appreciate the problem we have had in coming to grips with the finances of the corporation. You have indicated to us, sir, that you feel there is a good case to be made for the establishment of a formula and for a group of management consultants to have a look at it. You say you have discussed this with Mr. Ouimet. Would you care to indicate the type of formula you think would be most satisfactory.



Mr. HENDERSON: No. I would just hope, as I said to Mr. Fisher, that it might be a formula which would ensure a more or less fixed income for the corporation over a period so that it would know where it is going. The corporation is on the eve of some very considerable expenditures with regard to its production centers in Toronto and Montreal. I think somewhere in the evidence the president stated that the operating expenses would be on the increase in the next few years to the extent of about eight and a half per cent annually—I stand to be corrected on this. Accordingly, it would be helpful to them if they know the size of the help they would get which might be on a population basis or some such yardstick.

In my statement a few moments ago I said first things come first. I think the first thing here is to look into the organization, management and internal control.

Mr. McGRATH: Before any substantial capital expenditures are undertaken.

Mr. SMITH (*Calgary South*): You are aware that the corporation does calculate a projected budget which I assume is based on both capital or operating expenditure for a period of approximately five years. Are you suggesting that this is of no help to the corporation in knowing where it is going. I suppose this is something which must be approved by parliament.

Mr. HENDERSON: I do not think any parliamentary approval need be given to their five year financing. They forecast what their capital expenditures are likely to be in the next five years and what the impact will be on their operating costs. I am speaking from my own experience but I believe this is discussed with the treasury board in order to give them some information as to where this enterprise is going. I do not believe the five year forecast actually has been tabled before this committee. Is this not something which is due?

Mr. SMITH (*Calgary South*): But it does exist.

Mr. HENDERSON: My point is that a fixed formula basis has a lot of merit. I would most earnestly hope it could be seriously considered; but I would not want to consider it until this other rather basic step had been settled.

Mr. FISHER: I would like to get clear what Mr. Henderson said in reply to Mr. McGrath in respect of the comment that there be no capital expenditures until this was carried out.

Mr. McGRATH: What I meant, for the record, is that I understood from your remarks, sir, that no capital expenditures were to be undertaken until the corporate structure had been examined by management consultants.

Mr. HENDERSON: I think I must correct that statement. What I meant, and what I intended to say, was that this major expansion in Toronto and Montreal will be between \$70 and \$80 million. In addition the corporation of course has capital expenditures from day to day on projects which have to be carried on.

Mr. McGRATH: You mentioned Toronto and Montreal. That is what I had in mind specifically and not the day to day expenditures.

Mr. MACDONNELL: Mr. Chairman, are we not asking Mr. Henderson to go pretty far on questions of policy. I wonder if we are being quite fair to him. He has come here to help us and has helped us a lot.

Mr. FORTIN: Mr. Henderson, do you not think it would be advisable to have a royal commission make a complete investigation prior to making any change in the corporation?

Mr. HENDERSON: No sir.

The CHAIRMAN: You mean the Glassco commission?



Mr. McGRATH: You cannot reply to that.

Mr. HENDERSON: I do not think it needs anything as elaborate as that. That is what I am saying.

Mr. FORTIN: I will not ask you why.

The CHAIRMAN: Are there any further questions? If not, I think we should thank Mr. Henderson for appearing before us and for being so clear.

Mr. FISHER: Are we going on with Mr. Ouimet now?

The CHAIRMAN: I do not think Mr. Ouimet is prepared at this time.

Mr. CHOWN: In fairness to Mr. Ouimet, I think it would be better for us to adjourn now in order to give him an opportunity to study the statement of the Auditor General.

The CHAIRMAN: Would someone move adjournment?

Moved by Mr. McGrath, seconded by Mr. Tremblay, that we adjourn.

Motion agreed to.

## APPENDIX

## CANADIAN BROADCASTING CORPORATION

Report to the Board of Directors on the examination  
of the accounts and financial transactions  
for the year ended March 31, 1960.

## AUDITOR GENERAL'S OFFICE

Ottawa, June 21, 1960.

The Board of Directors,  
Canadian Broadcasting Corporation,  
Ottawa.

In accordance with section 34 (2) of the Broadcasting Act under which the Auditor General is appointed the auditor of the Canadian Broadcasting Corporation, we have completed our examination of the accounts of the Canadian Broadcasting Corporation for the financial year ended March 31, 1960.

Under section 87 of the Financial Administration Act, a report, in the form required by the section, will be addressed to the Minister of National Revenue with copies being provided for the information of the Directors. The Corporation's financial statements for the year have been prepared in accordance with section 85 of the Act.

In connection with our examination, we believe that the following explanations concerning the accounts for the year under review may be of assistance to the management and the Board of Directors. In addition, a number of related matters came to our attention which we believe should be drawn to the notice of the Directors at this time. These were discussed with the President of the Corporation on June 14th and with the Chairman of the Board on June 15th.

A copy of this report has been sent to the Honourable George C. Nowlan, Minister of National Revenue, for his information.

*Results from Operations*

A revised accounting system was introduced effective April 1, 1958, when the Corporation adopted the recommendations of Ross, Touche & Co., Chartered Accountants, Montreal, who had been engaged to examine the accounting methods and procedures in effect prior to this time. Their recommendations were designed to provide for a greater decentralization of the accounting work than had existed in the past and to enable the production of comprehensive monthly accounting statements for the information of management. The financial data to be reflected by the financial statements was generally designed to meet the recommendations contained in the Report of the Royal Commission on Broadcasting, 1957, in particular the recommendations of the Commission's financial adviser appended thereto.

The financial year ended March 31, 1959, saw the first year's results of the revised system. Because certain areas of expenditure and revenue distribution still needed clarification after a single year's experience, coupled with the fact that no comparable figures were available in like fashion for the financial year ended March 31, 1958, the Corporation did not alter the format of its Statement of Operations at March 31, 1959, to reflect the results on the revised basis. The management believed that a further year's experience was desirable and that by March 31, 1960, a new presentation of the Statement of Operations should be introduced, using the 1959 figures for comparison purposes. Accordingly, the Statement of Operations of the Corporation for the year ended March 31, 1960, now reflects the results from operations on a more comprehensive basis.

A summary of the results from operations for the year ended March 31, 1960, compared with the results for the previous year follows:

	Year ended March 31		Increase
	1960	1959	
Expense:			
Total Cost of Production and Distribution.....	\$ 88,336,815	\$ 82,316,069	\$ 6,020,746
Selling and General Administration....	5,702,950	4,998,484	704,466
Total Expenses for the year.....	94,039,765	87,314,553	6,725,212
Deduct Commercial Income earned.....	38,563,940	33,194,522	5,369,418
Net Expenses for the year.....	\$ 55,475,825	\$ 54,120,031	\$ 1,355,794

It will be seen from the foregoing that the net requirements of the Corporation for the year ended March 31, 1960, amounted to \$55,475,825. After deducting depreciation provided for in the above expenses and totalling \$3,175,547 but not included in the parliamentary grant, the Corporation's net requirements under Parliamentary Vote 43 of Appropriation Act No. 5, 1959, amounted to the net figure of \$52,300,278. As the Vote provided for a total amount of \$58,404,000 in respect of the net operating requirements of the radio and television services as estimated thereunder, the Corporation has not required the balance of \$6,103,722 so provided. The extent to which this amount was actually drawn down but not needed is shown on the Balance Sheet under Current Liabilities in the amount of \$2,341,157, and this amount is required to be repaid by the Corporation to the Receiver General of Canada.

In connection with the foregoing, it may be of interest to note how the actual net operating requirements of the Corporation through March 31, 1960, compare with the operating radio and television budget as approved by the Governor in Council, P.C. 1959-1949 dated December 7, 1959:

Description	Actual Operating Requirements	Approved Operating Budget	Actual Over or (Under) Budget
Programs.....	\$ 54,714,754	\$ 57,500,000	\$ (2,785,246)
Distribution.....	12,152,336	10,230,000	1,922,336
Northern radio coverage.....	490,860	977,000	( 486,140)
Staff services, general administration and supervision.....	12,580,798	12,795,000	( 214,202)
Gross Requirements.....	79,938,748	81,502,000	(1,563,252)
Deduct Income.....	27,638,470	23,098,000	4,540,470
Net Requirements.....	\$ 52,300,278	\$ 58,404,000	\$ (6,103,722)

The operating budget approved by the Governor in Council provided that individual items of expenditure could be exceeded by not more than 10% without further approval, providing the total expenditure did not exceed \$81,502,000. It will be noted that the distribution expenditure exceeded the approved estimate by \$1,922,336, or 18.8%, without executive approval having been obtained.

In accordance with the requirement of the Companies Act, the Statement of Operations carries a footnote disclosing that the expenses for 1960 included



\$50,575 for executive officers' remuneration. This amount consists of the remuneration paid to the President and Vice-President appointed under the Broadcasting Act and to the Assistant to the President. It does not include the remuneration paid to the other four vice-presidents and three general managers appointed during the year under review. We believe these officers to be "executive officers" within the meaning of the Companies Act as interpreted by current corporation practice, and therefore their remuneration should be included in the total figure disclosed. It would be of assistance if the Board of Directors would review this matter and advise us of their views in this connection.

### BALANCE SHEET

The Balance Sheet of the Corporation at March 31, 1960, remains in a format similar to that employed in prior years except that the totals of Current Assets and Current Liabilities are shown for purposes of comparison. A separate report will shortly be rendered by this Office at the request of the Treasury Board having to do with the determination of the working capital level adequate to meet the Corporation's needs. At the present time it remains at the level of \$6 million, following its adjustment to that figure on the coming into force of the Broadcasting Act on November 10, 1958. The determination at that time by the Minister of Finance was of an interim nature and called for repayment of \$4,079,766 by the Corporation to reduce the working capital level to \$6 million. The sum of \$4,075,592 was paid to the Receiver General on April 14, 1959, leaving a balance of \$4,174 to be paid on the final determination.

With reference to certain items appearing on the Balance Sheet at March 31, 1960, we would comment as follows:

#### *Cash—\$1,861,081*

This amount is considerably lower than the corresponding amount of \$8,361,835 at the close of the preceding year. At that time funds were on hand to pay to the Receiver General the \$4,075,592 settlement referred to in the preceding paragraph, together with the unexpended balance of \$3,324,012 of the parliamentary grant for capital expenditures of the radio and television services. The cash balance as at March 31, 1960, is not sufficient to cover the \$2,341,157 unexpended balance of the parliamentary appropriation for net operating requirements previously referred to in this report.

Cash on hand was counted in the audit and balances on deposit with banks were confirmed by direct certificate from the banks concerned and reconciled with the relative balances in the Corporation's accounts.

#### *Accounts Receivable—\$4,807,717*

This amount comprises \$4,231,736 of balances due from customers, together with sundry debit balances totalling \$575,981.

It has been the practice to maintain a reserve for uncollectible accounts at a constant figure of \$10,000 and to write off, at the close of each year, the balances regarded as having become uncollectible in the course of the year. The total thus written off at the close of the year under review was \$19,916, an increase of \$18,112 over the corresponding total of \$1,804 for the preceding year. The balances written off during the year have not, as yet, been approved by the President or the Board of Directors. This sharp increase suggests the advisability of consideration being given to increasing the amount of the reserve. Consideration should also be given to enlarging the coverage of the reserve so as to provide for "doubtful" as well as "uncollectible" balances.

Our review of the accounts receivable balances indicated that, in approximately one-third of the cases, no credit ratings had been established as required

by the governing management directive. Moreover, in many of the cases where credit ratings had been established, these had frequently been permitted to be exceeded.

The trade accounts receivable were the subject of circularization by us during the course of our examination on a basis whereby the debtors were asked to confirm the correctness of the amounts unpaid at March 31st by means of confirmation direct to our Office. We would report that the results of this circularization have been as follows:

Regional Location of Accounts	Trade and Other Accounts Receivable Circularized		Direct Confirmations received to June 20th	
	Number	Value	Number	Value
Newfoundland.....	93	\$ 29,033	60	\$ 23,568
Maritimes.....	113	88,643	93	68,178
Quebec.....	117	1,566,389	73	701,591
Ottawa.....	93	135,994	71	94,492
Ontario.....	193	2,269,084	130	1,298,856
Prairies.....	91	134,078	65	72,680
British Columbia.....	107	84,822	70	48,326
	807	\$4,308,043	562	\$2,307,691
% results.....			69.6%	53.6%

It will be noted from the foregoing tabulation that direct confirmations were received with respect to only 562 accounts out of a total of 807 accounts, representing only 53.6% of the indebtedness to the Corporation. We regard this balance as unsatisfactory but attribute it in part to the fact that we were unable to undertake the circularization until May 11th, which, in view of the extent to which mechanized accounting is employed in most large corporations today, appears to have rendered it difficult for a number of the customers to confirm readily balances due on March 31st. Statements have been mailed in the case of a number of the larger accounts from whom confirmations have not as yet been received. These will be followed up with the Comptroller's office.

#### *Investments in Government of Canada Bonds—\$1,457,031*

There has been no change in this account during the year. This holding represents \$1,500,000, 2 $\frac{3}{4}$ % Dominion of Canada bonds due June 15, 1968, the cost of which was \$1,445,000. The market value at March 31st was \$1,260,000.

No provision has been made for the difference between cost price and market value which, as indicated above, amounted to \$185,000 at March 31, 1960, although this may be a realized loss during the forthcoming year should the bonds require to be sold to enable the Corporation to discharge its current liabilities.

The bonds on hand at the close of the year were verified by actual count.

*Inventories—\$6,167,516*

The composition of the prepaid or inventory items shown in current assets at March 31, 1960, compared with the amounts on hand at March 31, 1959, is as follows:

	March 31		1960 Over or (Under) 1959
	1960	1959	
Engineering Supplies.....	\$2,006,962	\$1,738,657	\$ 268,305
Program Production in Process.....	1,334,769	873,936	460,833
Prepaid Film Rentals			
Maritimes.....	24,907	52,329	(27,422)
Quebec.....	1,855,233	943,426	911,807
Ontario.....	620,779	448,427	172,352
Ottawa.....	770	—	770
Prairies.....	11,728	19,380	( 7,652)
British Columbia.....	18,399	77,192	(58,793)
Special Programs.....	173,385	—	173,385
	2,705,201	1,540,754	1,164,447
Prepaid Script Rights.....	120,584	105,766	14,818
	\$6,167,516	\$4,259,113	\$1,908,403

We examined the actual physical inventories of the engineering, stationery and production supplies taken by the Corporation at January 31, 1960, and reconciled the cost valuation thereof with the value shown above at March 31, 1960.

During the course of our examination of these inventories, we made a test check of the internal control existing in the area of stores control and selected the Ottawa regional stores for this purpose. In this connection, we noted that a number of attractive items such as tubes, films and props carried in stock did not appear to be under the same measure of control exercised over items whose utility is limited to Corporation use, e.g., stationery stock valued at \$54,782 at the year-end. In the case of this stock, four clerks, a truck driver operating a Corporation-owned truck and a clerk in the Ottawa regional office look after the inventory. We would recommend that this situation in the Ottawa region as well as in the other regions be reviewed by the internal auditor with a view to ensuring not only that an adequate control exists, but that the staff available is being utilized to the maximum advantage in all areas.

Program production in process was verified by reference to the production schedule and cost records. This represents accumulated cost of taped programs awaiting showing. It was noted that the inventory value at the year-end included an amount of \$160,200 represented by the Corporation's original investment in the R.C.M.P. television series of \$245,700, less its share of revenue earned to the end of the year from Canadian and United Kingdom showings which has amounted to \$85,000. To the extent that the balance of \$160,200 cannot be recovered from future showings it will require to be written off to expense.

Prepaid film rentals consist of film rights prepaid in whole or in part for future broadcasting. In determining the inventory values of these at March 31, 1960, the Corporation wrote off items therein to expense to the extent of \$322,514 due to expire of contracts, changes in network programming, etc. When the film inventory data in connection with the determination of the



Corporation's future working capital requirements is available, we will be holding discussions with the management concerning, among other factors, the level at which these inventories will require to be maintained in future.

There is an additional matter in connection with the film inventories on which we wish to comment at this time. This is related to the purchasing methods employed by the Corporation over the past several years when purchasing films not made in Canada. It has been the practice of the Corporation for the most part to purchase these under contract without defining in the contract the kind of dollars to be tendered in payment thereof. In the case of films made in the United States, the contracts have been made generally with the Canadian subsidiaries of United States distributing houses holding the Canadian rights.

Although not specified in the contract, payment has been made in Canadian dollars whereas it would appear that United States dollars were equally eligible for tender, and had this been done substantial savings would presumably have accrued to the Corporation in the case of its film rentals. The extent to which the exchange saving in question might have been taken into consideration in the negotiation of the original contracts covering the rental price was not readily ascertainable from the cases in point.

We reviewed this matter with the President on June 14th for the purpose of ascertaining what steps the management has taken to ensure that future purchases will be made on the cheapest currency basis. He informed us that this matter has engaged his close study since it was first drawn to his attention.

In this connection, reference is made to a report addressed by the Comptroller to the President on November 19, 1959, setting forth a complete stock-taking made by the Comptroller of the film inventory as at August 31, 1959, which report contained a full description of the methods and procedures in effect in the film procurement departments, and recommendations designed to improve these methods, including the currency aspect already mentioned. This investigation was made at that time on the instructions of the Finance Committee of the Board.

#### *Capital Assets—\$28,232,347*

Capital additions during the year under review totalled \$6,259,935 and compare with the capital budget as approved by the Governor in Council, P.C. 1959-1549 dated December 7, 1959, as follows:

	Actual Capital Expenditures	Approved Capital Budget	Actual under Budget
Radio.....	\$ 228,921	\$1,452,500	\$1,223,579
Television.....	3,764,136	6,107,670	2,343,534
General.....	2,226,878	3,236,830	969,952
	6,259,935	10,797,000	4,537,065
Less—Anticipated delays in executing program.....	—	1,600,000	(1,600,000)
	\$6,259,935	\$9,197,000	\$2,937,065

The capital budget approved by the Governor in Council provided that individual items could be exceeded by not more than 10% without further approval, providing total expenditures did not exceed \$9,197,000.

In this connection we noted that, under "General", the item "Equipment—Additions and Replacements" approved in the amount of \$1,000,838, was exceeded during the year under review by \$261,076, or 26.1%, without executive approval having been obtained.

The extent to which the unexpended portion of the capital budget was actually drawn down but not needed is shown on the Balance Sheet under Current Liabilities in the amount of \$937,482, and this amount is required to be repaid by the Corporation to the Receiver General of Canada.

#### *Accounts Payable—\$5,536,444*

This amount consists of the following liabilities at March 31, 1960:

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Trade accounts payable.....	\$2,889,712
Due to Federal Government departments.....	769,109
Due to Provincial Government departments.....	27,692
Provision for salaries and wages in Montreal arising from:	
Producers' strike, 1958-59.....	968,351
IATSE—retroactive increases.....	151,000
Pension plan contributions.....	456,543
Contractors' holdbacks.....	129,725
Other accounts and accrued items.....	144,312
	<hr/>
	\$5,536,444

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No determination has yet been reached regarding the disposition of the salaries and wages liability in connection with the Montreal producers' strike.

The balance of \$769,109 due to Federal Government departments includes an amount of \$329,000 owing to the Department of Finance covering interest on the Government of Canada loans in existence up to November 10, 1958, the date on which the Broadcasting Act came into effect.

### COMMENTS AND RECOMMENDATIONS

Our examination was made in accordance with generally accepted auditing standards and included a general review of the accounting procedures and of the system of internal control together with such tests of accounting records and other supporting evidence as were considered appropriate in the circumstances. The examination during the year was carried out at the head office of the Corporation in Ottawa and at the regional offices located in Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver.

Under the revised accounting system, informative and detailed financial statements are prepared monthly by the Comptroller for the use of Management and the Finance Committee of the Board of Directors. The statements show the results of operations on a monthly and cumulative basis compared both with the budget allocation and like figures for the previous year. They show, in addition to other informative detail, the results from operations of each of the individual radio and television stations and of each of the networks in the manner recommended by the Royal Commission on Broadcasting, 1957. These statements are an integral and highly important part of the Corporation's system of internal control.

Reference is made to certain of our comments thus far in this report which, in our view, are indicative of weaknesses in the system of internal control. In our opinion, this is largely due to the fact that the Comptroller's office is not in a position to function as adequately and as comprehensively as it should due to certain organizational limitations present in the existing corporate structure. As a result, reorganization of the internal auditing function, so essential to the system of internal check in any organization of com-

parable size, is overdue. This is of direct concern to us in the performance of our own audit responsibilities because of the reliance we must place on adequate internal auditing programs in determining the scope of our own program.

The position of the internal auditor in an organization should be such that he is independent of the officials who are directly responsible for the operations, methods and procedures he reviews. If he is not independent he cannot be expected to carry out his work in a manner sufficiently objective and impartial as to best serve the needs of top management. The internal auditor should be responsible to an official at a sufficiently high level to assure adequate consideration and advice on his findings and recommendations.

Since the Comptroller must at all times be responsible for the effectiveness and adequacy of the system of internal control, the independence of his office is just as essential in presenting financial facts and figures fearlessly to top management. Such independence is in fact the keystone of the system of internal control.

We therefore recommend:

- (a) that the Comptroller be authorized to establish and operate an internal reviewing function under his direction embracing auditing work as such as well as a continuing review of all methods and procedures affecting the system of internal control throughout the Corporation;
- (b) that in view of the prime importance of the financial and accounting responsibility in the Corporation's operations and for the purpose of ensuring the independence of his office, the Comptroller and Chief Financial Officer should report directly to the chief executive officer of the Corporation. We think the responsibility is both too large and too important to be made only a part of the responsibilities of the vice-president of administration and finance, as is presently the case.

Our recommendation (a) above does not contemplate the employment of additional outside staff. A reorganization placing the existing methods and procedures staff under the Comptroller's direction would appear to be the principal change involved.

Although our work at this time has not included any detailed examination of the organizational structure of the Corporation, we considered it desirable to discuss this with both the President and the Chairman of the Board in the course of the meetings already referred to. We stated that because of the importance of the system of internal control, particularly with regard to its accounting and financial implications, we are of the opinion that a useful purpose would be served by having the Corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our Office. We believe that an independent evaluation of the organization from the standpoint of its effectiveness as well as the Corporation's needs now and in the future, merits the consideration of the Board at this time.

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We shall be glad to furnish you with any additional information you may wish in connection with our examination.

Signed by

A. M. Henderson  
*Auditor General.*



OTTAWA, Ontario, October 3, 1960.

A. M. Henderson, Esq.,  
Auditor General of Canada,  
Justice Building,  
Ottawa, Ontario.

Dear Mr. Henderson:

Further to your letter of June 22 and my reply of June 29, I have been directed to convey to you the attached comments (in triplicate) by the CBC Board of Directors on several points raised in your report dated June 21, 1960 in connection with an examination of the accounts and financial transactions of the Corporation for the year ended March 31, 1960.

The Board of Directors has asked me to advise you that certain points are still under consideration. These are: inclusion of remuneration of four Vice-Presidents and three General Managers in "Executive Officers' Remuneration" (Page 4 of your report), organization of the office of the Comptroller (page 14), and a possible study by independent management consultants in cooperation with the Auditor General's office of the Corporation's organizational structure in terms of its present size, complexity and cost (page 15).

Yours sincerely,

Barry MacDonald  
Secretary—Board of Directors

Comments by CBC Board of Directors on Report of Auditor General dated June 21, 1960 in connection with an examination of the accounts and financial transactions of the Corporation for the year ended March 31, 1960

(Page numbers in brackets before each item refer to Auditor General's Report)

1. (p. 4) It was stated that distribution expense exceeded the approved estimate by \$1,922,336.00.  
Approved Operating Budget 1959/60 by  
Governor in Council P.C. 1959-1549,  
December 7, 1959

Description	Amount	Actual Results 1959/60	Actual Over/(Under) Approved Budget
Programs.....	\$ 57,500,000	\$ 57,725,586	\$ 225,586
Distribution.....	10,230,000	9,141,504*	(1,088,496)
Northern radio coverage.....	977,000	490,860	( 486,140)
Staff services, general administration and supervision.....	12,795,000	12,580,798	( 214,202)
	81,502,000	79,938,748	(1,563,252)
Deduct income.....	23,098,000	27,638,470	4,540,470
Net requirements.....	\$ 58,404,000	\$ 52,300,278	\$ (6,103,722)

\* The Auditor General's Department has given this figure as \$12,152,336 by reason of their having included an amount of \$3,010,832 being the station transmission expense. This amount should not be included in the item described as "distribution" since the \$10,230,000 in the approved budget did not include the item for station transmission expense which had been included in the \$57,500,000 for programs.

The only item in which the approved operating budget was exceeded was that item described as "programs" where the overage of \$225,586 is within the 10% limit.

2. (p. 6) "That the accounts receivable written of . . . have not been approved . . ."

The accounts receivable recommended for write-off for the year ended March 31, 1960 were listed in a memorandum to the President dated June 16, 1960. The President approved the write-off by signing the memorandum and his approval was received and placed on file in the Accounting Department as of June 17, 1960. These write-offs were reported in detail in the Comptroller's report dated May 27, 1960. The amount written off was \$14,095.81.

3. (p. 6) "Consideration to enlarging the coverage of the reserve for doubtful accounts . . ."

The purpose of setting aside an allowance for bad and doubtful accounts at the end of the fiscal year is to provide means whereby charges against profit and loss on account of bad debts will obtain within the year during which the profit is taken. It has been considered preferable in our type of operation to make a review of accounts receivable at the end of the fiscal year and to assess accounts which may be subject to write-off rather than setting up a continuing reserve as a percentage of receivables. Where an account at the end of the year proves to be uncollectible in future periods such charge, if not provided for, would be borne by future year profits.

For the last 2 years our practice has been to review the aged accounts receivable (in co-operation with the Auditor General's Department) having particular regard to those accounts outstanding beyond the normal period. It seemed to us in our review at the end of 1959/60 that the \$10,000 amount which we had set aside as an allowance against 1959/60 accounts that might prove to be uncollectible in 1960/61 was sufficient and it is our understanding that the Auditor General's Department concur in this view. After 4 months experience to date, the \$10,000 allowance provided appears to be valid.

As at the end of 1960/61, a review of the outstanding accounts receivable on an aged basis will again be made and should conditions at that time indicate that an amount larger than \$10,000 should be set aside as an allowance, the necessary amount will be provided for.

4. (p. 6) "That in one-third of the accounts receivable balances no credit ratings had been established"

5. (p. 7) "There are many cases where credit ratings have been established. These have been frequently permitted to be exceeded."

The comments are factual. Credit limits have not yet been fully established for accounts having an A+rating. Where experience with such accounts has been satisfactory, the limits have been exceeded on the understanding that such limits would be increased from those established when the procedures were first introduced. Special attention is given to the record of payments of these accounts.

Since the commencement of the procedure in late 1958 we have been engaged in a continuing review of their application and expect to have a more formal record of limits and ratings established as defined in the procedure prior to our next year end.

6. (p. 9) "That a review of the control of stationery stock be made . . ."

The item referred to in the Auditor General's Report is floor inventories " . . . tubes, raw films and props carried in stock did not appear to be under the same measure of control . . ."

A serious difficulty in the maintenance of control over floor stocks at CBOT has been experienced over the past six to eight months and will continue while the construction of the additional office and operating space is going forward.

Increased program production in the last year at Ottawa resulted in accumulating increased inventory in the operating areas (as distinct from inventories held in stock-rooms). These floor inventories are composed of technical stores; raw kinescope film which must be on hand in the Studios at all times; and properties.

In the case of technical and film supplies, the responsibility for the safe-keeping under lock and key of those items that are kept on hand rests with the supervisors of the departments concerned. Such stocks are kept at a minimum consistent with the requirement of operation and are reviewed through Internal Audit procedures. Particular attention will be paid to these items in the next review.

In the case of properties, the Chief Accountant of Ottawa reported to the Area Manager at the beginning of the year, February 1960, on what seemed to be a lack of control over purchased properties which had increased due to the increase in local programming. As a result, the Area Manager requested that the Systems and Procedures Department make a survey of the situation and provide recommendations. This survey has been completed and recommendations implemented.

Concerning the use of staff in the area of stationery custody, distribution, etc., this assignment is as the result of the decentralisation of stores procedure recommended by P. S. Ross and Company and instituted as a result of their survey. Ottawa serves as a stores distributing centre for nationally printed forms and specific multi-copied forms.

The Corporate Supervisor of Stores is continuously placing before line officers in the field observations on the necessity to maintain floor stocks as low as possible and to control these in the best manner consistent with the use of personnel. This is a continuing effort on our part.

7. (p. 9) R.C.M.P. Series.

The Corporation's investment of \$245,700 less revenue from sale of rights amounted to \$137,400 as at June 30, 1960. Thus a further \$25,000 was received from sale of rights in the first quarter of the present year.

The position of this account is under constant review and if present indications prove correct, no write-off will be required.

We are now working with Crawley McConnell Limited in order to attempt a closer estimate of their belief that the investment will be fully recovered as a result of recent sales to the U.S.

8. (p. 10) "That a review be made by the Auditor General with the Corporation on the level of film inventories at the time a study is made of the working capital position."

Mr. Stokes and Mr. Wigmore of the Auditor General's office have been in Montreal and Toronto and reviewed film operations. Initial discussions took place with Mr. Stokes before he left for his annual leave and such discussions will continue. So far he has made suggestions regarding preemptions, packaged purchases, and the practice of the Corporation of averaging costs in syndicated series. Action has already been taken on the first and third items. These suggestions will tend to reduce slightly the prepayments in Toronto but will have little effect in Montreal.

9. (p. 11) "That the review suggested some time ago of the purchase of films and film rights on the cheapest currency basis be brought to some conclusion."

There have been no major purchases made where the effect of such negotiations could be tested. Those responsible for film purchases have been instructed to keep this in mind in dealings with American or other foreign suppliers.



10. (p. 11) "That the study indicated by the report of the Comptroller to the President on the stocktaking of the film inventory and the recommendations regarding methods of procedure of film procurement be brought to a definite conclusion."

This is being done as quickly as possible and it is expected that revised procedures will be in effect by November.

11. (p. 12) Capital expenditures, equipment and replacements.

The original submission to the Government of the Capital Budget showed an amount of \$1,000,838 under the above heading. In July 1959 the Capital Budget was revised internally and the amount against this item was increased to \$1,488,297. This revised Capital Budget, as used by Management for the financial year, was approved by Management but was not submitted to Treasury Board. This was an oversight on our part and there should be no recurrence of this condition.

### CANADIAN BROADCASTING CORPORATION

OTTAWA, Ontario,  
December 14, 1960.

A. M. Henderson, Esq.,  
Auditor General of Canada,  
Justice Building,  
Ottawa, Ontario.

Dear Mr. Henderson:

Further to your letter of June 22 and the Secretary of the Board of Directors' letter of October 3, I have been directed to convey to you the attached comments (in triplicate) by the Board on the remaining points raised in your report dated June 21, 1960 in connection with an examination of the accounts and financial transactions of the Corporation for the year ended March 31, 1960. The points were: inclusion of remuneration of four Vice-Presidents and three General Managers in "Executive Officers' Remuneration" (page 4 of your report), organization of the office of the Comptroller (page 14), and a possible study by independent management consultants in cooperation with the Auditor General's office of the Corporation's organizational structure in terms of its present size, complexity and cost (page 15).

Yours sincerely,

J. A. Halbert,  
Secretary—Board of Directors.

Comments by CBC Board of Directors on Report of Auditor General dated June 21, 1960 in connection with an examination of the accounts and financial transactions of the Corporation for the year ended March 31, 1960

(Page numbers in brackets before each item refer to Auditor General's report)  
Item 1 (p.4) "In accordance with the requirement of the Companies Act, the Statement of Operations carries a footnote disclosing that the expenses for 1960 included \$50,575 for executive officers remuneration. This amount consists of the remuneration paid to the President and Vice-President appointed under the Broadcasting Act and to the Assistant to the President. It does not include the remuneration paid to the other four vice-presidents and three general managers appointed

during the year under review. We believe these officers to be 'executive officers' within the meaning of the Companies Act...their remuneration should be included in the total figure disclosed."

The Corporation agrees with the suggestion and steps will be taken to include the remuneration received by the four Vice-Presidents and three General Managers in the "Executive Officers' Remuneration" on all future Statements of Operations.

Item 2 (p.14) "We therefore recommend:

- (a) that the Comptroller be authorized to establish and operate an internal reviewing function under his direction embracing auditing work as such as well as a continuing review of all methods and procedures affecting the system of internal control throughout the Corporation;
- (b) that in view of the prime importance of the financial and accounting responsibility in the Corporation's operations and for the purpose of ensuring the independence of his office, the Comptroller and Chief Financial Officer should report directly to the chief executive officer of the Corporation. We think the responsibility is both too large and too important to be made only a part of the responsibilities of the vice-president of administration and finance, as is presently the case."

The financial duties and responsibilities normally carried by the Vice-President, Administration and Finance have recently been assigned to the Comptroller on a temporary basis.

Item 3 (p.15) "We stated that because of the importance of the system of internal control..., we are of the opinion that a useful purpose would be served by having the Corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our office."

The Corporation has instituted during the past year very substantial changes in its organization. Many changes are yet to be implemented and further changes are being studied. After full consideration, the Corporation is of the opinion that a study at this time should not be pursued but that the situation be reviewed periodically, possibly every six months.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON  
**BROADCASTING**

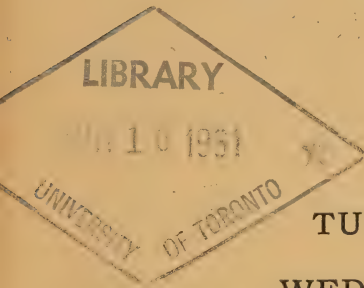
*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 27

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TUESDAY, JUNE 6, 1961

WEDNESDAY, JUNE 7, 1961

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WITNESSES:

Mr. R. L. Dunsmore, Chairman of the Board of Directors, Canadian Broadcasting Corporation, and Mr. Alphonse Ouimet, President.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier R  gnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chass  ,  
*Clerk of the Committee.*

## CORRECTION

PAGE 685: In the answer by Mr. Ouimet, third paragraph beginning on that page, in the third line thereof strike out the word "section" and substitute therefor "connection".

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

TUESDAY, June 6, 1961.

(32)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Chown, Danforth, Fairfield, Fisher, Fortin, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, Pickersgill, Pugh, Regnier, Simpson, Smith (*Calgary South*), Tremblay, Webb.—(19).

*In attendance:* From the Canadian Broadcasting Corporation's Board of Directors: Mr. R. L. Dunsmore, Chairman; Mr. C. W. Leeson, Vice-Chairman; Mrs. Kate Aitken, Mr. Alphonse Ouimet, Captain W. E. S. Briggs, Directors, and Mr. J. A. Halbert, Secretary to the Board.

The Chairman opened the Proceedings by reporting on behalf of the Subcommittee on Agenda and Procedure. (*See beginning of today's Evidence hereinafter*).

The recommendations contained in the report of the so-called Steering Committee were briefly discussed.

The Committee resumed from Thursday, June 1st, the adjourned study of the affairs of the Canadian Broadcasting Corporation.

Mr. R. L. Dunsmore was called.

After introducing some of his associates present with him before the Committee, the witness made a lengthy statement upon which he was questioned.

At 11.00 o'clock a.m. the examination of Mr. Dunsmore still continuing, the Committee took recess.

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HOUSE OF COMMONS, Room 112-N.

WEDNESDAY, June 7, 1961.

(33)

The Committee met at 3.00 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, Messrs. Danforth, Fairfield, Fisher, Fortin, Lambert, Macdonnell (*Greenwood*), MacEwan, McCleave, McGrath, Mitchell, Pickersgill, Pratt, Simpson, Smith (*Calgary South*), Tremblay, Webb.—(18).

*In attendance:* From the Canadian Broadcasting Corporation: Mr. R. L. Dunsmore, Director and Chairman of the Finance Committee; Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. Marcel Carter, Vice-President (*Administration*); Mr. R. C. Fraser, Vice-President (*Corporate Affairs*); Mr. H. G. Walker, General Manager, Network Broadcasting (*English*);

Mr. Barry Macdonald, Director, Policy Section, Corporate Affairs; Mr. J. A. Halbert, Secretary to the Board of Directors. Also Mr. A. M. Henderson, Auditor-General of Canada.

As the proceedings commenced the Chairman explained that the resumption of the meeting on the preceeding day had been postponed until today in view of the fact that the House had adjourned in tribute to Mr. William Anderson, M.P., who died suddenly shortly after the House met Tuesday.

The examination of Mr. R. L. Dunsmore was continued. Part thereof was conducted in French and English.

In the course of the interrogation of the witness points of order were raised on the questions directed at him and the Chairman ruled that the questions be restricted to the matters raised in the testimony given to the Committee by Mr. M. A. Henderson, Auditor-General.

At the conclusion of his testimony, Mr. Dunsmore was thanked by the Chairman on behalf of the Committee for his attendance.

Mr. Alphonse Ouimet, President of the Canadian Broadcasting Corporation was recalled. The witness made a brief statement and was questioned thereon. Before concluding Mr. Ouimet filed the following which, on the suggestion of Mr. Fisher, were ordered printed as Appendices to today's Minutes of Proceedings and Evidence as indicated hereinafter.

1. The National Broadcasting Service—Method of Financing (*See Appendix "A" hereto*).

2. 5 year projection of proposed capital expenditures 1961/62 through 1965/66 (*See Appendix "B" hereto*).

At 5.00 o'clock p.m., as previously agreed, the Committee adjourned to meet again at 9.30 o'clock a.m., Thursday, June 8th.

Antoine Chassé,  
*Clerk of the Committee.*



## EVIDENCE

TUESDAY, May 6, 1961.

The CHAIRMAN: Good morning, ladies and gentlemen. The subcommittee had a meeting on June 2, and fortunately the Clerk, Mr. Chassé, kept some notes on it.

The subcommittee on agenda and procedure met on Friday, June 2. There were present Hon. J. Pickersgill, Messrs. Regnier, Fisher, McGrath, Smith (*Calgary South*), and myself.

The members were agreed to recommend that in addition to the present schedule the committee sit this afternoon, between 3.00 and 5.00 o'clock p.m., and likewise on every Tuesday thereafter until the conclusion of the work of the committee.

Pursuant to the resolution passed by the committee last Thursday, June 1, Mr. R. L. Dunsmore, director of the Canadian Broadcasting Corporation was called to appear this morning.

With him he has one of the other directors, the vice-chairman of the board, Mr. C. W. Leeson.

A tentative schedule for the next two weeks was agreed to.

This afternoon at 3.00 o'clock and next Thursday, June 8, morning and afternoon, Canadian Broadcasting Corporation.

Tuesday, June 13 and Thursday, June 15 morning and afternoons on both days, board of broadcast governors.

Tuesday, June 20—Canadian association of broadcasters, unless the committee gets through earlier with the board of broadcast governors, in which case the Canadian association of broadcasters could be heard instead on Thursday, June 15.

I would like to hear from the committee any comments on the decisions reached in the subcommittee.

Mr. PICKERSGILL: I would like to take exception to one statement in that report. I do not accuse anyone of bad faith, but I think there must have been some misunderstanding. It was my clear understanding that the only decision made with respect to sitting on Tuesday afternoon was that we would sit on this Tuesday afternoon if the program in the house would permit that.

The CHAIRMAN: Yes, that is true.

Mr. PICKERSGILL: And that there was no decision made about subsequent Tuesdays. Certainly, I had not consciously concurred in any such decision. I do not think that this committee should sit systematically on two afternoons on what are in the house the two busiest days of any normal week. I think this is keeping members from the house too much or derogating from the work of the committee. As I say, I think there must have been some misunderstanding, but I would not like to have it remain unchallenged.

The CHAIRMAN: Are there any other comments?

Mr. SMITH (*Calgary South*): I think it is correct, that the Tuesday which we were concerned about was, of course, today. I would like to bring to your attention, Mr. Chairman, the possibility that we may still have to sit longer hours, whether they are necessarily Tuesday or some other day, in view of the fact—and I think I am correct in this—that all of the witnesses of whom

we hope to carry out our examinations, namely, the board of broadcast governors and the C.B.C., and, of course, the private broadcasters, C.A.B., are all going to be involved in hearings, I think, commencing June 20.

The CHAIRMAN: That is right.

Mr. SMITH (*Calgary South*): While I concur in the view expressed by Mr. Pickersgill, I do suggest that we are going to have to go back and suggest some other day, or some other way of getting through the work prior to the 20th. I leave that with you, Mr. Chairman, so that it can be dealt with.

Mr. PICKERSGILL: I would like to say a word on what Mr. Smith has said. There is one day on which there may not be difficulty in meeting the board of broadcast governors, on which this house does sit, and that is Saturday. If we are willing to sit on Saturday, the estimates are taken in the house and it generally happens that only certain members are really vitally interested in the estimates for the particular department. It seems to me that if we are going to sit when the house is sitting, Saturday would be the most suitable day and would be one way which would make less conflict with other duties of members.

Mr. MACDONNELL: Is that in regard to Saturday morning?

Mr. PICKERSGILL: Morning or afternoon, as far as I am concerned. I would have to be here anyway.

Mr. MACDONNELL: I would say that Saturday morning has some advantage, with less work in the house.

The CHAIRMAN: There is one thing about which I am anxious particularly, that is, with regard to today. We are going to require this afternoon's hearing to complete the examination of the present witnesses.

Mr. SMITH (*Calgary South*): That was agreed.

Mr. PICKERSGILL: I see no objection to this afternoon, but I cannot see, if we are going to sit at any time on Tuesday afternoon, why we do not sit in the hour between five and six when private bills are taken in the house and the attendance is notoriously small there anyway.

The CHAIRMAN: You do agree, however, about this afternoon between three and five?

Mr. PICKERSGILL: Certainly, because with the detail of the order of legislation before parliament at the present time, I see no reason why we should not.

The CHAIRMAN: If further sittings are required before next Saturday, at least we will see how far we can get with the committee today.

Mr. PICKERSGILL: Before we proceed with the witnesses, there is a point of order which I would like to raise arising out of the minutes of the meeting of last Thursday, when I was not present. I raise this point of order for the purpose of making a suggestion to the committee. The Auditor General, if I understand his language correctly, at page 741, in his last intervention on that page, made a statement which I found very extraordinary indeed. He said:

This committee is all-powerful in this regard—

That is in regard, as I understand it, to the authorizing of an independent investigation of the C.B.C.—

—and if in your recommendations on policy—

—and I wonder about that too, sir—

—you sought to include terms of reference for such an undertaking, it most certainly could be included in the work to be done. That is the way I look at it.

Now, sir, I think I could make a long speech expressing my views as to how utterly unconstitutional this statement is. Only the Queen's advisors under our constitution are allowed to recommend the expenditure of public funds, and



though I happen to be one of the Queen's advisors, I am temporarily unemployed in that regard. However, to discuss it, it still seems to me that their prerogative should be upheld. I feel that rather than go into this at any length, we should get the view of the parliamentary counsel, Dr. Ollivier, on this matter, if the committee has any serious intention of going far beyond what I believe would be the proper prerogatives of any committee of the house, in making any such recommendation. It does seem to me that just as it is our duty to see that the government is responsible to us, it is also our duty to see that we do not, ourselves, arrogate to ourselves powers that we have not got and have not any right to have, and that would completely destroy responsible government if they were carried out in this fashion.

Mr. SMITH (*Calgary South*): May I ask a question?

Mr. FISHER: I have been bothered in somewhat the same way as Mr. Pickersgill in going over this, and in the point he made, and also in several other places. Mr. Henderson admitted, through his evidence, that he was probably going over the position of the Auditor General, which drove him strictly to look at the books and report on the same. For this reason I would be interested in having the opinion of the parliamentary counsel upon the evidence given by the Auditor General, to determine not so much Mr. Pickersgill's point, but how much of it was really relevant and within our power to consider, and within his power to give.

Mr. McGRATH: Mr. Chairman, on a point of order, the Auditor General is a former comptroller of the C.B.C. and surely he is allowed to call on his knowledge in that regard.

Mr. SMITH (*Calgary South*): I think we should deal with the two separate points of order.

Mr. FISHER: Was he speaking as former comptroller of the C.B.C., or as Auditor General?

The CHAIRMAN: Probably as both.

Mr. SMITH (*Calgary South*): I would like to deal, first of all—if I understood Mr. Pickersgill correctly—with the suggestion on the question whether it was in our power to recommend an examination of the corporation by an independent business concern.

Mr. PICKERSGILL: No, not to recommend an examination, but to authorize it. It is the word "authorizing" of it. I have read it.

Mr. SMITH (*Calgary South*): I would like to finish. I do not think anyone thinks that is within our power.

Mr. PICKERSGILL: If the committee is agreed that this is so.

Mr. SMITH (*Calgary South*): Our powers are to recommend, and I think we all appreciate that.

The CHAIRMAN: Mr. Fisher himself said in the previous paragraph:

Would it be possible for a management consultant firm to do the task you set out here, and also to approach it from the point of view of making recommendations—if this committee should ask them to do so—to parliament, for the purpose of obtaining a formula that would be related?

Perhaps Mr. Fisher was out of order.

Mr. PICKERSGILL: That is precisely my point, that the suggestion that this committee may engage these management consultants—

Mr. McGRATH: There was no suggestion made of that at all.

Mr. PICKERSGILL: Perhaps Mr. Fisher who made the remark would be the one most apt to interpret it, and I do not seek to interpret his language.

Mr. TREMBLAY: This is a waste of time.



Mr. REGNIER: I suggest we should go on with the business we have this morning. We could discuss this matter in camera when we are ready to make a report.

The CHAIRMAN: Today we have with us Mr. R. L. Dunsmore, director, and chairman of the finance committee, Canadian Broadcasting Corporation. He has a statement he would like to make before the questioning begins.

Mr. R. L. DUNSMORE (*Chairman of the Board of Directors, and Chairman of the Finance Committee, Canadian Broadcasting Corporation*): Mr. Chairman, ladies and gentlemen, actually I do not know whether this should be called a statement or not. I merely tried to collect my thoughts on the evidence at the last meeting, as I read it. For one thing, I am not clear on just in what capacity I am here—as chairman of the board, as chairman of the finance committee, or as a mere member of the board—because the remarks I make might be different in a different capacity.

Presuming that it is as chairman of the board, I will therefore try to express the opinions of the board and try to interpret the reasons why the board took whatever action it took. I have here the secretary of the board who has the minutes of the finance committee, and the minutes of the board since this board took office, so that if I go off the track he will be able to put me back. I also have Mr. C. W. Leeson, who is vice-chairman of the board and also a member of the finance committee. There is also here Mrs. Kate Aitken, who is present at the back of this room. She is a member of the executive committee as well as a director. Therefore, if my memory is wrong, I am sure these people will be able to put me back on the rails.

The immediate matter of concern, as I understand it from reading the testimony given at your last meeting, has to do with the report of the Auditor General which he made to the corporation a year ago. This letter was studied very, very carefully by myself, as chairman of the finance committee, because it had to do with that committee. I took the particular letter and broke it down into all the suggestions and recommendations which were made in it. There were some 15 in all. I did this so that it would be convenient for us, in discussing the matter at the finance committee and in the board, to deal with them. I am quite prepared, sir, if you so wish, to make any remarks on any of those 15 items. However, a year has passed since this letter was written and time has made some changes. Therefore, with your permission, I intend to speak on only four of them. I think that discussion on the rest of them might be a waste of your time.

The first of these four is this question of film inventory. This became a matter of real concern to the finance committee in August 1959 when, in studying our financial report, we found—and it was brought to our attention also by the comptroller—that the inventory of films was at about double the amount it had been in the previous year. In other words it stood at something in the order of \$2,300,000, or \$2,400,000—I do not know the exact figure—whereas the previous year it had been about half that. As a result of our concern and our questioning about this change in the inventory, there was instituted a complete study of film inventory by the comptroller, which took some time. He made a very thorough investigation of it. Besides the mere fact of the inventory having doubled, we were concerned because we had a lot of our cash tied up in inventory, which we needed, and so we were anxious to get this inventory in a position that was justified for the operations of the corporation. There was also a report made on this film inventory situation by the operating group of management, and there were some differences between these two reports. Eventually, after a period of time, these were reconciled, and as a result of the study we made—I mean the study made in the finance committee—

and the study currently being carried on by management to try to rectify this, a recommendation was made for these controls. May I be permitted to read this, Mr. Chairman?

The CHAIRMAN: Is that a minute of your meeting?

Mr. DUNSMORE: This is an extract from the minutes of the thirteenth meeting of the finance committee held on January 8, 1960.

The CHAIRMAN: Is it agreed it should be read?

Agreed.

Mr. DUNSMORE:

Dealing now with the contracting procedure, the following principles are proposed and, if accepted, detailed procedures to implement them will be worked out between officers of the systems and procedures, accounting and operations departments:

- (a) film procurement to be on request from program department at the location concerned—with careful attention to proposed scheduling of the product being given by the director of the network or station involved.
- (b) all film rental and purchase to be handled through the Toronto or Montreal film procurement offices.
- (c) delegation of authority for contracts up to \$25,000 to the appropriate officers, with all contracts above this amount being referred to head office for approval and execution. Contracts for amounts below this figure which do not employ the standard C.B.C. form of contract will be referred to head office for clearance of wording proposed.
- (d) recommendations for contracts above \$25,000 to precede any commitments being made, such recommendations to go to vice-president, engineering and operations, for coordination and authorization of appropriate general manager.
- (e) responsibility for coordinating requests, approvals, draft contract preparation, etc., and for clearing all legal and financial details to rest with the vice-president, engineering and operations, together with responsibility for obtaining the authorization of the appropriate general manager.

The above principles, if approved, should result in a tighter control being exercised on this part of our operations through the supervisor, corporate film operations, in the office of the vice-president, engineering and operations. This officer will centralize this activity and will provide a coordination point for all film operations activities.

Mr. CHOWN: Could we have the date of that memorandum?

Mr. DUNSMORE: January 8, 1960.

This question of film inventory first became a problem for our study in August, 1959, so this was 4½ months later, after these complete studies, which were very extensive, were carried out. These recommendations were approved by the finance committee and the board. As a result of this the finance committee has, each month as it meets and reviews the financial statement, reviewed this problem particularly, and over the period of time since then the inventory has been reduced from its high of \$2,600,000 to its present, which is just under \$1,800,000. From the information we have received and from every indication we have, \$1,800,000 seems to be a very reasonable figure for this type of operation, the size of operation the C.B.C. carry out.

Our expenditures for films this past year were about \$8 million. Our inventory standing at \$1,800,000 indicates that a rough average is a turnover of five times a year, which I think should be considered quite satisfactory.



Out of this investigation into the films came this question of method of payment for the films, particularly films that emanated from the United States. The film purchases in the year which were discussed in the Auditor General's report were for the year 1959-60, and the purchase in that year was \$7,300,000. Now 60 per cent of these were purchased from U.S. sources. I think a figure of 90 was mentioned in the deliberations the other day. That means that a total of \$4,380,000 was spent for these American films. Concern was expressed that the corporation could have paid for these in U.S. funds rather than Canadian funds and thus save the premium between the two dollars at that time. Now, if this had been possible, the savings would have been \$219,000, but the question was whether it was possible. There is no evidence to show that it was. These purchases were made from Canadian companies and paid for in Canadian funds. We have been informed that the price paid in Canadian dollars was equitable, based on the difference in the dollars at that time. This was studied by our film procurement man in Toronto, and with your permission, sir, I would like to read two paragraphs from his five-page report.

This is an extract from O. C. Wilson's memo dated June 17, 1960, re purchase of American films in Canadian funds. He cites two specific cases: one is the purchase from M.G.M., Metro-Goldwyn-Mayer, and he says:

As you know it took almost three years to negotiate this contract, beginning with an asking price of \$4,000 per film for one six-station play and ending with an agreed price of approximately \$1,200 per film. During these negotiations, M.G.M. stipulated payment should be made in Canadian funds and at the price accepted we saw no reason to refuse. Furthermore, this contract has three years to run, and if Mr. Coyne is a reliable prophet, we may end up by buying most of these features at a one to five per cent discount.

This point should not be neglected. His second item has to do with Walt Disney films and this is what he says:

The franchise for the Disney films was acquired by Sovereign Films Limited of Canada a year or more before they made a sale to us. I know personally that they were dickering for this franchise as early as 1953. I do not know the down cash payment they made to Disney, but it must have run into at least six figures and for this they acquired not only T.V. but also a number of other rights.

I thought that might be of interest.

Mr. PUGH: Is there a full report? You say there are two extracts?

Mr. DUNSMORE: This is a report made from the film procurement officer of C.B.C. in Toronto to management.

Mr. PUGH: Is that report on the difference of exchange?

Mr. DUNSMORE: It is on the type of negotiation that is carried out in purchasing U.S. films.

Mr. PUGH: Was this in specific reference to Canadian and U.S. funds?

Mr. DUNSMORE: These two references I made had to do with two contracts we made for U.S. films, and the purchases were made through Canadian companies who had rights for American films.

Mr. PUGH: Is there any other reference to differences in exchange in the five-page report?

Mr. DUNSMORE: I do not have it with me and I would hesitate to quote. I am just advised here that this type of information is considered—not having been here I do not know—a privileged report.

Mr. McGRATH: If they are going to quote from it in part, we should at least see the document.



The CHAIRMAN: What is the feeling of the committee?

Mr. CHOWN: Put the question, Mr. Chairman.

Mr. SMITH (*Calgary South*): Just a moment.

Mr. FISHER: Let Mr. Dunsmore finish here what he has to say, and then when we have the whole picture perhaps Mr. Pugh could indicate whether he wants to go on at that time.

Mr. PUGH: I want to establish one thing, that we are dealing with differences of exchange. That was the subject. We have been given two excerpts. Those are not the complete number of excerpts. I am not asking for a full disclosure of anything, I just want to establish that two have been chosen to give to the committee, and two only.

The CHAIRMAN: You have established it. Now we had better let Mr. Dunsmore finish his whole statement before we ask any further questions please.

Mr. DUNSMORE: At the same time as we considered the film inventory, we considered a matter brought before the board by the comptroller, and I have the minutes referring to that.

The comptroller has raised other related matters such as method of payment, payment in U.S. dollars and discounts on prepayment. It is considered that these matters are an integral part of the negotiated price and if more favourable terms are secured for the corporation this would affect the price and the net result would not be much different.

In any event on a contract being negotiated at this time, this is being tested and it will be possible to determine the effect of such considerations.

The contract being negotiated at that time fell through. The people offering the films refused to sell.

Another matter which seems to have been of concern is the question of the status of the comptroller in our organization. However, this matter has been resolved, and unless it is your wish, sir, to have me speak about it, it has been resolved in a way which is in accordance with the thoughts of the Auditor General and also in accordance with the thoughts of the members of the finance committee. I do not therefore think, unless you wish me to do so, that I will say anything more about it.

Mr. CHOWN: To pause briefly; the response to this recommendation by the Auditor General was couched in terms of "temporary", and that is the only thing I think that would require further explanation from Mr. Dunsmore.

The CHAIRMAN: You can make notes and ask questions after Mr. Dunsmore has finished his statement, Mr. Chown.

Mr. DUNSMORE: The final matter which I might discuss is the question of the engagement of management consultants. This matter was discussed very seriously by the non-permanent members of the finance committee as early as two years ago, in the spring of 1959. However, nothing was done. They did not feel that anything should be done at that time for several reasons. One of the reasons was that some of the members who were discussing it had had a very unfortunate experience with management consultants. They had been expensive in the final analysis. They did not prove to be of great benefit. The second reason was that we were all not only new to the broadcasting industry but we were new on the job in connection with crown corporations. All we could bring together was our normal business experience, and we felt we were perhaps a bit hasty, three months after having been appointed, to suggest that management consultants should be hired. The final thing was that the new management had only been appointed at the same

time we were, that is the president and the vice-president had been appointed only three months before, and it did seem to us very unfair to make any move which would indicate some lack of confidence in their ability to answer the problems before the corporation at such an early date.

For those reasons the matter was not proceeded with. However, from time to time thereafter, various members of the board brought this matter up, not formally but informally. Nevertheless, nothing was done because it was felt that if there was anything wrong that could be corrected in the area of accounting or accounting procedure, that would be brought to light by the Auditor General and he would report to us. There has been no such report.

In the meantime, consultants on specific areas were hired. The firm of P. S. Ross and Sons was used by the Fowler commission and continued to be used by the corporation after the Fowler commission completed its work. This firm later became Ross, Touche and Company, so that when we are speaking about it we are referring to one and the same firm. This firm, Ross, Touche and Company, was continued on a year-to-year basis as a consultant to the corporation on accounting methods and accounting procedure. Each year it was reviewed and they have been kept on and are still used by the corporation in a consulting capacity.

Another area in which we used consultants is when we came to consider our pension plan, in which case the corporation consulted William Mercer Limited, who are experts in pension plans. When we got into the area of studying the equity in our payments to our top executives and unclassified personnel, the firm of Leetham Simpson Limited, who are experts in that type of thing, were called in.

So that in specific areas consultants were employed, and going a little further I might say that in January of this year Ross, Touche and Company were given a special contract to consult with and advise us on the setting up of internal audits. With the receipt of the suggestion in the Auditor General's report of a year ago, the hiring of management consultants again became a matter of active study by the board officially; and as I said before, the board first felt that if there was anything wrong in the auditing or accounting field, that would have been brought forward by the Auditor General. Therefore, any doubt we might have about there being inefficiencies or lack of economy was in the realm of operations not in the area of accounting and auditing. We knew there were bound to be inefficiencies and lack of economy. Any firm, no matter how successful it is, which is so complacent that it thinks it does not have inefficiencies and lack of economy, is just kidding itself. So the board realized there were these things, but they still felt that they should not follow the recommendation made, in their opinion, for very good reasons. The reasons were these. The reorganization of the staff which was initiated, or at least proposed to the board in the fall of 1959, and the procedures which were outlined at that time for controls and for keeping a finger on the efficiency of the operations of the corporation. These were just beginning to show some effect. As a matter of fact, those sort of things took up considerable time to show their effect. Mind you, they were initiated only in the fall of 1959, and this suggestion that we hear about management consultants was made some eight months later.

The second thing which influenced them was the fact that in September 1960 the Glassco commission was appointed, with terms of reference which included investigation of crown corporations, and the questionnaires which C.B.C. received from this commission indicate that their investigation of C.B.C. will be a very thorough one.

Then, a final point which affected their thinking was that the evolution of general broadcasting under the board of broadcast governors indicated a pattern which might very possibly affect the organization and the way in which C.B.C. is set up.



With these things in mind, it seemed a very unrealistic thing at that time to proceed with the hiring of management consultants. They realized, and everyone of them, I think without exception, would be agreeable to hiring them when it seemed propitious, when it would not be overlapping with some other investigating organization, or when they were in an area when they could see ahead, see into the future a little better than it is possible for C.B.C. to do at the present time.

Therefore, I think that it should not be considered that the board washed out this idea of management consultants. It did not do that; the board merely postponed it. They proposed to review this matter in six months, and it is getting pretty close to that now.

I am sure when they do appoint management consultants, hire them or take them on, they will think in terms of consultants who are operating people, who will come in and who will consult with our engineering people, with our auditing people, with our program people. But they will be operating people, because we feel that the audit part of it is adequately taken care of by the Auditor General and the internal audit. I think that is all I have to say.

The CHAIRMAN: Mr. Dunsmore has concluded his statement. Are there any questions? Mr. Fisher first.

Mr. FISHER: When did you take up your position on the board, Mr. Dunsmore?

Mr. DUNSMORE: The whole of the board, including myself, had its first meeting on December 3, 1958, and we were sworn in that day.

Mr. FISHER: Do you remember or recognize that there were statements made in the house by the minister indicating that some of the members of the board were appointed specifically because of their business experience?

Mr. DUNSMORE: From memory I would say yes, although I do not remember reading it in Hansard.

Mr. FISHER: What is the makeup of your finance committee in terms of business experience?

Mr. DUNSMORE: Our finance committee consists of five members. There is Mr. Leeson, who is on my right; he has had varied experience in various types of business and is head of the firm which he is now with in Toronto. There is Mr. Whidden Ganong, who is head of the Ganong Chocolate Company in St. Stephen, New Brunswick, who, for many years, has taken a very active part in the Canadian chamber of commerce. There is myself. In addition, there is the president and the vice-president. That makes a total of five.

Mr. FISHER: Can you identify your business experience?

Mr. DUNSMORE: I was in the oil business, in the manufacture and marketing phases of the oil business, for 40 years. The last ten years of that was as president of the Champlain Oil Products Limited, a marketing company operating in Quebec and Ontario.

Mr. FISHER: How is the finance committee constituted within the board of directors? How was it constituted? Was it just by simple motion of the board?

Mr. DUNSMORE: At the first meeting on December 3, there was a nominating committee of the 11 members of the board appointed. I cannot recall who they were, but they brought in a report recommending that the members of the finance committee be members so-and-so; that the members of the program committee be members so-and-so; that the members of the executive committee be so-and-so; and that motion was placed and passed by the board.

Mr. FISHER: Could you give us an approximation of how much time you have spent as chairman of the finance committee specifically?

Mr. DUNSMORE: I would say it is about 50 to 55 days a year.



Mr. FISHER: Fifty-five days a year. Do you feel that you have had adequate time to appreciate and understand the financial problems of the C.B.C., and to keep the kind of scrutiny one might expect in a private corporation from the point of view of some of the board of directors charged with such responsibility?

Mr. DUNSMORE: There have been times when I have felt that I would like to have much more time to give a specific problem, and I have not been able to do it. In other words, the time was not available between the time when I received the problem and some answer had to be made.

Mr. FISHER: This last question requires an answer in the form of an opinion. Do you feel that you and your associates in the finance committee are seized of the problems with which the corporation is faced and are in an excellent position to give advice to the operating management?

Mr. DUNSMORE: I would think that within the scope of time we are able to give it, we can. We do feel that we have given advice to the operating people of the corporation which has been advantageous and I would like to think they had saved money for the country and for the corporation.

Mr. FISHER: There is brought forward very little in the way of criticism in your statement in relation to the operations of the C.B.C. You are aware that there has been much criticism, general suggestions, in particular in this committee and other places, suggestions that the C.B.C. is in bad shape or badly shaken, and so on, and that the financial structure is not of the best. Is there any comment you care to make at this time about that general situation, if I interpret it correctly?

Mr. SMITH (*Calgary South*): On a point of order, Mr. Chairman, I would like to raise the question that the witness was not asked to comment on the general structure and the problems of the corporation as such. I certainly, as one member, have no objection to his so doing, but I would point out that he was really here to comment on the evidence of the Auditor General, at the Auditor General's request, and this was also the steering committee's recommendation.

The CHAIRMAN: That is true, Mr. Smith. I think it would be rather unfair to ask him to go into the broad structure. I think that is the duty, more or less, of the president of the corporation.

Mr. FISHER: Like every other member of the committee, I am very pleased to hear from a businessman appointed to the board who has been in there for two years, as to his general views as to the efficiency and the way the C.B.C. is going along. I want to know whether he can confirm the unsettled minds of some of us, or if he can relax them. It is just a general question.

Mr. PICKERSGILL: On the point of order raised by Mr. Smith. I have read very carefully—I was not here but I have read very carefully—the evidence which was given by the Auditor General, and the Auditor General's apparent continued insistence on this notion of hiring management consultants. We know that the Auditor General is charged with the duty to us to save the taxpayers' money, not to encourage the expenditure of it. Therefore, the Auditor General must have had in his mind some feeling that there was something in the corporation which required this kind of activity. Since he gave evidence which suggested that, it seems to me that Mr. Fisher's question comes to the very root of the matter. The witness before us is the chairman of the finance committee. He is also styled chairman of the board, by a decision of the board, which I—as he knows, and I am not proposing to raise that point or discuss it—think was an illegal decision. However, I am not raising that point.

An hon. MEMBER: Why mention it, then?

Mr. PICKERSGILL: I mention it because I think a law made by parliament should have been observed by the government and by the corporation.

Mr. McCLEAVE: Your own personal interpretation of what the law is.

Mr. PICKERSGILL: Yes, and I am a free member of a free parliament in what is still a free country.

Mr. McCLEAVE: This is raising smoke screens.

Mr. SMITH (*Calgary South*): Speak to your point—just for once.

Mr. PICKERSGILL: My point is that Mr. Dunsmore, for whom I have the greatest personal respect and always have had since we first met, and who has given very straightforward evidence this morning which has impressed me very much, is being asked after two years' experience—two years' experience where he has been, above all the other directors, specially charged with the general overseeing of the finances of the corporation—whether he feels that the loose general criticism, that the finances—and perhaps I am interpreting Mr. Fisher's words, and if I do not interpret them rightly he will correct me—

Mr. CHOWN: You had better quote his words.

Mr. PICKERSGILL:—that the financial structure of the corporation is not sound.

It seems to me that is the most basic question we could ask Mr. Dunsmore, speaking for my part as a member of this committee, the most important question of all, and that we are entitled to have his views on it, if he is willing to give them.

Mr. SMITH (*Calgary South*): I first raised this point, but I have no objection as an individual member to the question. I only point out that if the question is permitted we are opening up a complete new vista of the whole operation of the corporation, not as Mr. Pickersgill interpreted it to limit it to finance. That was not the question. Therefore, if we decide we are going to examine the witness on the whole aspect of the corporation, we would need to assign a great deal more time than we have done for this purpose.

I might remind you that the steering committee decided we should call the witness to discuss references made by the Auditor General in relation to his report, and I suggest to you that if we go beyond that we had better have it very clear, that all the questions by the members will have to take full consideration of the import of Mr. Fisher's question.

The CHAIRMAN: It is certainly a very broad question which was asked by Mr. Fisher. If you had a more specific question, Mr. Fisher perhaps you could ask it?

Mr. FISHER: My motion, which was the original motion, was that we desire the director to appear before the committee at the earliest convenience, both to himself and the committee. That was the motion and this to me is the key question. Here is a director appointed by this government. To me he is a key appointment. He was a businessman put in charge of the finance committee. I want to know if he can assure us, after his two years' experience, that he is generally satisfied the financial operations of the C.B.C. are running along well or not.

Mr. SMITH (*Calgary South*): We now have just the financial end of it. This was not in the original question.

Mr. HORNER (*Acadia*): I think we should let Mr. Dunsmore try to answer this question. I do not think it is spread out too far from the point. I agree with Mr. Fisher that this is quite a good point and I think we should have Mr. Dunsmore's opinion, whether or not there is extravagance in the corporation from a financial point of view, as the chairman of the finance committee sees it.



The CHAIRMAN: If it can be answered quickly.

Mr. SMITH (*Calgary South*): Now that we are getting down to finance, I would like to agree as well.

Mr. DUNSMORE: I think it can, sir. My answer to this would be no, we are not satisfied. I think if we were feeling that we were, if any company were complacent about there being no place in which they could make any saving or increase any efficiency, it would just be kidding itself, as I mentioned before.

We do feel, however, that there are things in motion, put in motion by management, which will put their finger on those inefficiencies, and so on. As to whether those methods which they have initiated will be satisfactory or not, I do not know. That is why I said that the board in its mind is quite open as to the possibility of its having to bring in management consultants at some time, because we are not satisfied that the controls already initiated are going to do the job.

Mr. FISHER: Your generalization, that "no corporation should be satisfied", is putting a bit of interpretation upon my question. I just wanted the assurance that the C.B.C. financially was not a bad operation.

Mr. DUNSMORE: My answer to that would be, as we see it at the present time, no.

Mr. FISHER: Fine.

Mr. DUNSMORE: If there were anything wrong with it, the Auditor General would have brought it out.

Mr. FISHER: Mr. Henderson brought up the question of the possibility of a formula which might be applied in the future to providing the finances for the C.B.C. Has your finance committee given any consideration to that?

Mr. PICKERSGILL: Before that question is asked, I wonder if Mr. Fisher would permit me to put a supplementary to his first question. I would like to ask Mr. Dunsmore if he feels the board has done everything they could reasonably be expected to do in the last two years to put the financial structure of the corporation on as good a footing as possible, as they could reasonably be expected to do? I emphasize those words.

Mr. DUNSMORE: I would be less than human if I did not say yes.

Mr. SMITH (*Calgary South*): Some of us may have supplementary questions along the line of examination of Mr. Fisher with regard to management consultants, before we get into a new field. I would like to ask Mr. Dunsmore if he could indicate to us the reasons why the board felt it was not advisable to call in management consultants. I have them listed in front of me. I assume that one of the reasons was not the fact that you did not consider that there was not a sufficiently qualified firm to carry out such an examination. I assume that this was not a factor in your decision.

Mr. DUNSMORE: I would say yes, it was not a factor. Might I qualify that, however, that in so doing we did not know at the time of any specific firm, but we felt that one could be obtained.

Mr. SMITH (*Calgary South*): Mr. Henderson, as comptroller, advised the committee that he had made certain recommendations dealing with the necessity for management consultants in his view. Did this opinion of the comptroller reach the board in a report by the executive because of course, the comptroller reported to, I believe, the vice-president? May I put it in another way? How did the discussion originate within the board? Was it initiated by the board itself on the need for management consultants?

Mr. DUNSMORE: Which discussion? I am not quite clear on that question. Which discussion in the board?

Mr. SMITH (*Calgary South*): You have mentioned it.



Mr. DUNSMORE: I mentioned a discussion in the board which took place after the receipt of the Auditor General's letter of June 16, I believe it was.

Mr. SMITH (*Calgary South*): But there was also, I believe, some thought given prior to that, to the hiring of management consultants.

Mr. DUNSMORE: Yes, as I mentioned at the time—not officially.

Mr. SMITH (*Calgary South*): I see. It was therefore not on the agenda of the board.

Mr. DUNSMORE: No.

Mr. SMITH (*Calgary South*): Therefore, there was not any report brought to the attention of the board prior to 1959 for the suggestion of hiring management consultants?

Mr. DUNSMORE: You mean prior to 1960.

Mr. SMITH (*Calgary South*): Prior to 1960?

Mr. DUNSMORE: Not that I know of.

Mr. SMITH (*Calgary South*): Mr. Henderson gave us the date, that in 1959 he suggested—

Mr. DUNSMORE: Not that I know of. It may be that I am faulty in my memory. I do not know.

Mr. CHOWN: I have a question.

The CHAIRMAN: Is this on the same subject?

Mr. CHOWN: It is on the general matter.

Mr. CHAIRMAN: Is it on management consultants?

Mr. CHOWN: Not specifically, no.

The CHAIRMAN: Mr. Pugh has a supplementary on management consultants.

Mr. McGRATH: I have a supplementary also.

Mr. PUGH: Following this a little more generally, have recommendations been made to the corporation by you in regard to the financial matters—by you or by your committee?

Mr. DUNSMORE: I am afraid I did not catch that.

Mr. PUGH: Have recommendations been made by your finance committee which, to put it this way, were carried out by C.B.C., or implemented?

Mr. DUNSMORE: Oh yes, on many occasions.

Mr. PUGH: Are these minor or major?

Mr. DUNSMORE: Some of them are major and some of them are minor. They covered quite a wide range of things and quite a wide range of magnitude.

Mr. PUGH: These, in all probability because of your managerial experience, would be suggestions, would they, which originated with your group; or suggestions thrown to you by C.B.C. as a study?

Mr. DUNSMORE: It might be both ways. In many cases there is a report, for instance, brought to the finance committee by management, and the finance committee consider it. They may agree with it, they may ask for further information, they may ask to have it changed, or they may disagree with it. They may send it back and say they do not agree with it entirely and it is thrown out. All these do occur and have occurred, and some of them are large in magnitude and some of them are small.

Mr. McGRATH: In speaking to the Auditor General's recommendation for management consultants, that the only area which could usefully be served

by management consultants or consultants, was the operations end of the corporation—do I understand you correctly; is that what you say?

Mr. DUNSMORE: That is right. When I said “operations” perhaps that was not definite enough. I meant those things other than the accounting and that sort of thing which the Auditor General has his finger on top of all the time.

Mr. McGRATH: Yet the Auditor General in his report quite obviously had in his mind this very thing, auditing and accounting, when he gave as his reasons for calling the management consultants the fact that there was quite a bit of laxity in the system of internal control. This is the Auditor General of Canada making this recommendation, so obviously there is a great difference of opinion between the board and the Auditor General.

Mr. DUNSMORE: Well, of course, that would depend on how you would interpret what he said.

Mr. McGRATH: I am only going by what he said and by what you said.

Mr. DUNSMORE: The point I am making is that in the field of accounting and so on, we feel that the Auditor General, with his constant survey of our books and of our procedures is in a position to tell us this and this and this are wrong. He would bring it to our attention either currently or in his final report, specific things. If, however, it was in a realm of anything beyond that, in the real of operations—in other words if you are producing a program and have used 16 chorus girls instead of eight, you might have saved some money. He may have felt that there was not close enough attention, or a philosophy of economy sufficient in the organization to make these savings. I took it that that is what he was referring to when he said there were areas which caused him concern.

Mr. McCLEAVE: These girls are cheaper at twice the number, I take it.

Mr. HORNER (*Acadia*): Cheaper by the dozen.

Mr. McGRATH: I was going to say that quite obviously the Auditor General, following his audit of the corporation, made specific recommendations to the board with respect to internal control of the finances of the corporation, not the operating aspects of the corporation as we understand operation. He made several references to internal control.

Mr. DUNSMORE: As I mentioned, the board knew that the management had set up that type of control. They began setting them up in October of 1959 and the thing was that they could not be set up overnight. You had to get the proper person who could operate these control groups. One of them, for instance, was a management audit group, and it takes time to get the proper people who can carry out that management audit. The board therefore in its judgment felt that there should be time given to let those control groups get to work and show some results before jumping in and getting some other entity to come in from outside and do the same work.

Mr. McGRATH: If I may come back to this point again, I will quote from the Auditor General's report on page 15 where he stated that:

—because of the importance of the system of internal control—

—particularly with regard to its accounting and financial implications—

—we are of the opinion that a useful purpose would be served by having the corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our office.

That is quite obviously at loggerheads with your opinion.



Mr. DUNSMORE: I think that any investigation of management consultants should be in the area of operations where I feel that, very possibly, savings and economies could be made.

Mr. SMITH (*Calgary South*): I wonder if I might ask a supplementary question to Mr. McGrath's. We are not in effect splitting hairs, and this type of management consulting analysis invariably covers both general fields, but perhaps Mr. McGrath is correct in drawing special emphasis on organization.

If you would not answer that question at this particular point, I would like to go on. You have indicated to us, Mr. Dunsmore, certain objections which were raised, I gather informally, to management consultants. You spoke about the fact that some of the board members had unfortunate experience with them in the past. You have also indicated that perhaps the hiring of management consultants might result in lack of confidence in the administration as such. I will put this question to you, sir: surely there must be some misunderstanding within the board as to the purpose of management consulting firms. As you are well aware, with your long experience, most corporations hire them to have them examine themselves, such as the government has done in order to examine all the departments. There is no stigma of inefficiency necessarily implied. It is to sort out professionally the most efficient way of running the company. Would you agree?

Mr. DUNSMORE: In general I did point out this was three months after we took office, three months after the president and vice-president took office. So at that particular time we felt—and I am quite willing to be corrected if my memory is wrong—that it would be evidence of an initial and basic lack of confidence in the two gentlemen appointed as president and vice-president three months after we came on the board.

Mr. SMITH (*Calgary South*): You suggested, as did a committee member, that perhaps the Glassco commission might fulfil the same responsibility without the terms of reference of the commission in front of us, but surely you would agree that the commission has no intention of carrying out the type of department survey that is required in this particular instance of any of the departments of government, and also probably the commission would have to hire the same type of technicians that the corporation would hire independently as management consultants. What I am getting at is that you do not really think that the Glassco commission would do the detailed work that is required in this particular instance.

Mr. DUNSMORE: I do not necessarily think they will. I do not know just how deep they are going to go. I do know the type of questionnaire that was sent to the C.B.C. which indicated a considerable depth. Whether they will make use of all the data asked for on this question or not, I do not know, but the fact would remain that we would have the Glassco commission investigating us concurrently with operating our own new systems, and superimposed on that would be a group of management consultants also investigating.

Mr. CHOWN: Could you tell the committee, Mr. Dunsmore, if there has been any direct liaison by you in person with Mr. Glassco or any other member of the commission with this object in view? I am talking about face to face consultation as to the extent of their investigation of this corporation or the limitations of their investigation.

Mr. DUNSMORE: No, sir.

Mr. CHOWN: As you indicated in your evidence there have only been these communications or questionnaires sent to the corporation?

Mr. DUNSMORE: That is right. I am speaking for myself; you are asking me personally. The president, who is behind me, has just said that he has talked to them, I believe.



Mr. OUMET: I have appeared before the Glassco commission once and I imagine I will appear again, but it was not to discuss anything in connection with the latest suggestion of consultants. It was their first initial contact with the corporation prior to starting their investigation which is going on, as you know.

Mr. CHOWN: Mr. Dunsmore, getting off this track slightly, I was going to ask you—

Mr. MCGRATH: I have some more questions on this subject.

The CHAIRMAN: Mr. Chown, is your question on management consultants, or would you rather wait?

Mr. CHOWN: I guess I can wait.

Mr. MACDONNELL: I have a brief comment to make on management consulting. Mr. Dunsmore has told us, and I agree fully with him, that going out to get management consultants is not an indication that the company is not a good company. The best companies do it because they like to get independent minds. He has also made clear that the reason that held him back was time; he did not want to plunge in. I imagine that he has seen the exchange that took place and which appears on page 734, between Mr. Henderson and myself. I will read what Mr. Henderson said in answer to a question I raised:

If this committee, in its report to parliament, decided this is a worth while proposition, and so recommends, and I find myself in the position of participating in it along the lines we are discussing, I would most certainly sit down with Mr. Glassco and his associates immediately to see how this could be worked out and achieved.

I confess, from my point of view it seems to me good sense, and I thought I would raise it so it would be in our minds now.

Mr. MCGRATH: I want to come back to this point, Mr. Dunsmore. The Auditor General felt so strongly on this point that on page 742 of the evidence he made it quite clear to everyone that he wanted future capital projects delayed until such consultants were engaged. He referred specifically to capital projects that were contemplated for Toronto and Montreal. Do you have any comment on that? I say that to indicate to you that obviously he felt very strongly on this because we were all perfectly aware, following our investigation of the plans of the corporation with regard to these two major production centres, that they have quite extensive facilities planned there.

The CHAIRMAN: What was your question?

Mr. MCGRATH: My question was to have Mr. Dunsmore comment on this.

Mr. DUNSMORE: I am very hesitant to make a comment on that.

Mr. MCGRATH: As chairman of the finance committee you would obviously be very much involved in this field.

Mr. DUNSMORE: I have felt that we should go slow—and I am now speaking personally, not as the chairman of the finance committee—on these large expenditures in Toronto and Montreal, but not for the same reason that Mr. Henderson gives. My reason is—and again I am speaking personally—that the future of broadcasting as it is evolving has uncertainties that would make me hesitant to make large expenditures. Certainly that is not contemplated in what has come before the finance committee, as you will see from our estimates so far produced. I do not know what the next year's will produce, because they will not be going in until this fall; but the reasons are not the same. I do

not hesitate about spending these moneys because I feel that a management consulting firm would come in and encounter inefficiencies or lack of control which would indicate that we do not need consolidation at Toronto and Montreal.

Mr. McGRATH: What you just said was that to the best of your knowledge funds had not been appropriated for the fiscal year of the corporation for these capital projects. However, they are contemplated, as we have it on our evidence, and the corporation has an extensive staff of architects for this purpose.

The CHAIRMAN: Are there any further questions?

Mr. MACDONNELL: Could we know exactly what point they reached with these capital expenditures, in the finance committee? I am not quite clear on that.

Mr. DUNSMORE: A year ago there was presented, according to the act, a five-year forecast of capital expenditures. This year the finance committee asked management—it was already being done as a matter of fact—to roll that ahead, and they have done so. At our meeting yesterday we actually considered the proposals that they are bringing up.

The CHAIRMAN: We are going to get the figures on that some time maybe later on today if we get back to Mr. Ouimet.

Mr. McGRATH: On what specifically?

The CHAIRMAN: On the five-year projection plan.

Mr. CHOWN: Before our time elapses, I would like to lighten at the moment the atmosphere by introducing the great grandson of Sir John A. Macdonald, who came from Winnipeg to be present at the dedication of Earnscliffe on the seventieth anniversary of the death of the first prime minister, the father of confederation. If Mr. Gainsford would stand up?

Now, Mr. Dunsmore, I was going to hearken back to your evidence earlier on when you mentioned the fact that you did not feel you had the time as part-time director, to apply yourself to certain problems that were brought to your attention. Arising out of that evidence I was wondering if you felt there would be merit in having a permanent chairman of the board on a full-time basis?

The CHAIRMAN: I do not think that is quite a good question to ask this witness.

Mr. FISHER: I was going to ask the views of this committee. Mr. Dunsmore indicated something to us that is even more disquieting to me than the Auditor General's report, and that is that he feels the future of broadcasting and perhaps the role of the C.B.C. is in a state of flux at the present time because of the board of broadcast governors. I want him to elaborate on this point, and I wondered if other members of the committee are also interested in this. I do not want to take off on a line that they do not go along with, but it seems to me this is fundamental evidence.

Mr. McGRATH: I understood Mr. Dunsmore in the same context as my friend Mr. Fisher, with one notable exception, not because of the B.B.G.

Mr. FISHER: I phrased that badly.

Mr. McGRATH: But because of the expansion of broadcasting generally in the country.

Mr. FISHER: I wonder if the committee is agreeable to following that line of questioning this afternoon?

Mr. SMITH (*Calgary South*): I would like to suggest that normally it would be a bit surprising to do so, but under the circumstances Mr. Dunsmore having introduced the subject himself, might he be given an opportunity to elaborate on it.

The CHAIRMAN: It might be just as well if we took recess now so that members of the committee could, while we are in recess, think about the points that were brought up by Mr. Dunsmore.

There is some sort of ceremony this afternoon, but I think we should be able to have a quorum here by 3 o'clock.



## EVIDENCE

WEDNESDAY June 7, 1961.  
2.30 p.m.

The CHAIRMAN: Good afternoon, ladies and gentlemen. You just made a quorum, Mr. Pratt.

We are all very sorry for the reason we had to postpone yesterday's meeting. Although Mr. Anderson was not a member of this committee, we all knew him very well, and we are very sorry that such an occurrence took place.

As you know, we very hurriedly postponed this meeting until today. We are going to re-call Mr. Dunsmore. After that we hope to proceed with witnesses from the C.B.C. on any further financial questions.

Would you come forward, Mr. Dunsmore. Have you any further statement to make?

Mr. R. L. DUNSMORE (*Chairman, Board of Directors, Canadian Broadcasting Corporation*): No.

The CHAIRMAN: Are there any further questions to be directed to Mr. Dunsmore?

Mr. McGRATH: Yes, Mr. Chairman.

Mr. Chairman, at the last meeting Mr. Dunsmore quoted from a document regarding film inventories. I think he said that he was quoting two paragraphs from a report from some officer within the corporation in connection with film inventories.

Mr. Dunsmore, when you were asked to table this document to which I have referred, you said that it was privileged. Could you tell us, perhaps, why this particular document is privileged?

Mr. DUNSMORE: Well, Mr. Chairman, I am afraid I am relatively inexperienced with parliamentary committees. I did not realize that the quotations which I made were ones from a document which might be considered privileged. I only report what I am advised by members of our management who are here. They advised me that I had quoted from a document which was privileged. I must say that I took these quotations without any consultation with them. It was a document I knew of; I called for it, and I quoted those two items from it because I knew, to my mind, at least, they appeared to be pertinent. As far as I am concerned, that is all there is to it.

Mr. McGRATH: So, for the record, do you still feel, after consultation with management, that this document should not be tabled?

Mr. DUNSMORE: I have not consulted with management about it, since then. It was merely suggested to me, from behind, yesterday at the meeting that it was a privileged document, and I have not consulted as to whether it was or not, since that time.

In thinking it over it would seem to me there is information there which might make one consider it to be a privileged document, because it also has to do with business dealings with individual firms.

Mr. McGRATH: With individual firms?

Mr. DUNSMORE: Yes.

Mr. McGRATH: In other words, the document has to do with the commercial operations of the corporation in its various competitive aspects—film inventory and film rentals.

Mr. DUNSMORE: Yes.

Mr. McGRATH: Mr. Chairman, I wanted to determine this, because it may be a little bit difficult when we reach the stage of drafting our report. It would be difficult to assess the context of these paragraphs which Mr. Dunsmore quoted, inasmuch as the whole report is not put in.

The CHAIRMAN: Could Mr. Dunsmore reassure us that there is not anything further in this privileged document that might be of use to the committee in this regard?

Mr. DUNSMORE: Well, those were the only two items that I felt would concisely support the point I was making. There is other data in there which I cannot recall at the present time without going back and looking it over. I would not want to make a definite statement without looking the document over again.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: Yes, Mr. Chairman. I wanted to go on with that business which we left up in the air at the last meeting. You and the Auditor General have the same opinion with regard to large capital expenditures, especially in Montreal and Toronto, and for different reasons. You suggested, in a general way, that you felt it was not the time to go ahead with large capital expenditures, and I would like you to elaborate as to the reasons why. I would be interested in those reasons.

Mr. DUNSMORE: The answer I would make to that is this: As you may recall, I indicated that my personal feelings were that, as a director, I had some concern about this development of the broadcasting field, and its effect on the C.B.C. That was a personal expression of opinion. I could not speak the same way for the board of directors. However, as a result of that personal feeling, or concern, the board, as well as the finance committee, requested management to make a study on the possible economic effects on the C.B.C. of some of the possibilities of change ahead of us and, without having any facts in front of me, I would not like to get into any discussion further than that it was a matter of concern.

Mr. FISHER: Well, in this particular situation—there is a parallel situation with another agency of the government, where the value of a study by an inside group—I am not criticizing the value of a study of the C.B.C. in this regard—has been looked upon as being prejudiced. I am thinking of T.C.A. at the present time. My question is this: Did you consider the possibility that it might be well to ask the government itself, or the B.B.G., to provide you with an estimate or a study of the facts, since they are both agencies that are very vitally concerned, and it was government policy that has created the change in the broadcasting field?

Mr. DUNSMORE: We did not consider these possibilities.

Mr. FISHER: What is in your mind when you use the phrase, "economic change"?

Mr. DUNSMORE: Well, you have several factors that are new in the broadcasting industry in Canada, and what we wanted to find out was whether they would have any economic effect in the way of advertising return—that is, revenue from advertising. There might be. Only a matter of detailed study will bring that out. That is why I hesitate to say anything more on the subject without definite figures.



Mr. FISHER: Mr. Ouimet has told us his concern about the impact of the private network in so far as the network life and the future of the C.B.C. is concerned. Is that an aspect of your concern?

Mr. DUNSMORE: That could be one of the aspects. Another aspect of it is pay television and group antennae, all of which allows for the possibility of weaning away viewers of C.B.C. programs, and therefore the advertiser is very likely to take that into account when he decides how much he is willing to pay for the privilege of advertising on C.B.C.

Mr. FISHER: Are there any suggestions you can make to this committee in the way either that we should be more fully informed on this particular field, or are there any assurances you can give us of the closeness with which the board and the finance committee, each in concert, is following this situation?

Mr. DUNSMORE: Well, we expect to have a progress report on this study at our meeting in June, and probably completion of this study by our meeting in September. It would be reviewed at any finance committee meetings there might be in the interim.

Mr. FISHER: So, in essence, the policy makers for the broadcasting corporation are, you feel, in charge of the situation in so far as understanding and appreciating the situation are concerned?

Mr. DUNSMORE: With the completion of this study, we hope we will have.

The CHAIRMAN: Are you through, Mr. Fisher?

Mr. FISHER: Yes.

The CHAIRMAN: Mr. Macdonnell is next, followed by Mr. Tremblay.

Mr. MACDONNELL: I have a question on capital expenditure. I would like to say what I have said before, that in questioning the C.B.C. operations, I do so as a friend and booster of the C.B.C. The reason I do this is because I want to put myself in the position of being able to answer any unfavourable critic of the C.B.C. Consequently, in advocating an outside look, I have never felt it was in derogation to the C.B.C., because, as pointed out, that is a practice which the best corporations follow.

Yesterday for the first time I was a bit taken aback. I wanted to feel that I understood better the reasons for the capital expenditure. I know, in a general way, that the operations in Toronto and Montreal are spread all over the place, and that, for example, in Montreal there are two dozen separate establishments. Therefore it is easy to believe that some capital expenditure would be involved. But I was a bit taken aback at what was said yesterday because while I was in favour of the outside look. I felt it was necessary to delay capital expenditure for that reason.

Therefore, these questions are in my mind. I am not sure that I can ask them in the best possible way. My understanding is that approval of the purchase of land in the amount of some \$660,000 in Toronto was approved by the treasury board. I have asked myself what prima facie evidence the treasury board had before them. It is not hard to believe that, as in Montreal they have 24 establishments, economy could be effected by bringing them together. But leaving that aside, I am asking what kind of figures the treasury board had before them when they approved this expenditure? If I am right in my assumption, then I would like to have more information.

I think it would be useful, not only to myself but also to the committee, to have considerably more information as to what was put before the treasury board when they approved this purchase. What savings were indicated, and to what extent?

In the second place, I understand that engineering work is going on which would be preparatory to such capital expenditure which is indicated over the next several years. I am a little discursive in my questioning, but it seems to



me that I come back to this: what did go before the treasury board? And if I am right again that there was information submitted to them, what did it relate to? I am not quite sure that Mr. Dunsmore can answer my question. I do not know if it is fair to ask him. We have invited him here without much assistance, and if he does not have the documents, he might feel he could not speak in detail; and it may be information which should come later on from Mr. Ouimet. But I have always felt we ought to speak in a friendly and co-operative way in order to come closer to an understanding of what is involved in the proposed capital expenditure.

MR. DUNSMORE: As Mr. Macdonnell has said, I have not prepared myself for this; but as I recall what I know of the situation, it was necessary for the corporation to prepare a five-year forecast a year ago. In making a five-year forecast they had to take into account—and our finance committee did this—they had to take into account the needs which they saw for the corporation carrying on into the future with the functions imposed upon it by the Broadcasting Act, and as they could assess the requirements of Canada over the period ahead. So, as a result of that, the five-year forecast did include items for the purchase of land both in Montreal and Toronto; and the engineering and establishment which would co-ordinate the 22-odd locations that we are operating from in Montreal, and the 12 locations that we are operating from now in Toronto, in order to get these together in an efficient manner in one area. It seems to me that in order to prepare for that, they foresaw what would be required in the future. Naturally, being spread over five years, as we only have our budget approved by parliament for one year in advance, we actually were approving last year what things would go into the first year of a program which will extend over at least five years, and that included the acquisition of land.

The land has been acquired in Toronto in accordance with the program that they had in mind, but the land in Montreal is not acquired as yet. We are still negotiating for it. The engineering, which is a long process, is in hand; because for a program which is going to take, for the building, probably three years, that sort of program requires engineering time, I might say, for a year and a half. As a matter of fact, I think it would take from one and a half to two years for the engineering work to be done, and beyond that, of course, you get into future years.

Estimates were made on what it would cost to complete the project, and the figures which have been quoted, I think in my own testimony, were \$35 million, to cover the whole thing, the whole program, from the purchase of land to the engineering and the building of all the components. Certainly I had no intention of giving the impression that I think we should stop buying land and stop doing the engineering. All that I had in mind was that we should look at the broad pattern for a year or two ahead of us, and that we do not attempt or try to build something beyond that, or beyond what the developing broadcast industry in Canada requires or can support. In order to make sure of what we are doing, we have asked for this economic study of some of the things that we foresee now which seem to be shaping up. It may be they will not shape up. It may be they will not have the economic effect which I, in my ignorance perhaps, anticipate. But that was the thought, sir. I do not know whether I have answered your question or not.

MR. MACDONNELL: Yes, you have. The only thing I am not quite clear about is that you ask for an economic survey. That has nothing to do with the outside expert coming in?

MR. DUNSMORE: No, that has nothing to do with it. It is really to try to assist us by a survey of the economic effects of such things as the developing pattern that is developing under our new system of having second net-

works and other stations, and having community antennae, and having paid television. All these things will have an effect, as well as the number of viewers which the C.B.C. has, in that it will be a factor with respect to advertising revenue.

Mr. MACDONNELL: Am I right in my understanding that the engineering is going ahead, and that subject to any new views or discoveries that are made, there is no reason to believe that the capital expenditure will not proceed when the engineering work is completed. Is that the situation?

Mr. DUNSMORE: The work on this—any work on this, whether it be the acquisition of land, the engineering, or the building, can only proceed to the end of the next fiscal year. Our budget is approved to then. Beyond that we have no authority.

Mr. MACDONNELL: But there is no holding back at the moment? The engineering work is going on, and things are proceeding in the normal course?

Mr. DUNSMORE: That is right.

Mrs. CASSELMAN: When you suggested that you thought that this should go forward slowly, or by a careful approach, is there not some suggestion in that that a different concept of the whole development might ensue, and therefore would you not have some thought of going slowly on the engineering part of it, except for the acquisition of land which could be turned over, and might not be a loss if there were a major change?

Mr. DUNSMORE: There is a calculated risk in that. We may be wrong. There may be evidence that turns up to show that we should not go ahead with it. We may be entirely wrong in thinking that there will be anything which will make us want to give this up. All we can say is: let us observe this until we find out. But if we hold it up, then we just continue this inefficient operation which we have in Montreal and Toronto, with a multiplicity of working locations, and because of all the difficulties, or the expenses, involved in operating from 22 locations we just let that persist. The risk is that if this were proceeded with maybe some of that engineering might be wasted if this economic study showed that perhaps we could not go quite so far in this direction or that direction in our planning. However, if the economic study does indicate we are right then we are all set to go, and have not persisted in carrying out expensive operations.

Mrs. CASSELMAN: There is the extreme gamble that all the engineering might have to be disregarded.

Mr. DUNSMORE: That is very extreme. I do not anticipate anything of that sort. I do not think there ever could be anything of that nature. I have in mind that we might be able to reduce perhaps some of the studios and all the economics which go with the studios. I am speaking about supposition. That is why I am concerned until I see this economic study. There might not be necessity for so much studio space and that much equipment, because of other equipment built by other people; I do not know. As I say, I am alone on the board in feeling this way. Many of the others do not know either, but perhaps do not feel so strongly as I do. That is why I said I was speaking personally.

Mr. SMITH (*Calgary South*): You have expressed some concern, because of the developing pattern of broadcasting, as to the necessity or advisability of going ahead with just these two limited items—the plants in Montreal and Toronto. Would you perhaps not have the same concern about proceeding with other such capital expenditures; perhaps an example would be the advisability of the corporation proceeding to set up transmission facilities, as I understand they intend doing, in four or five other areas. Should not the same factors be taken into consideration in a judgment of this type?



Mr. DUNSMORE: To some extent; but I do not think the same factors apply exactly. So long as we have the Broadcasting Act which lays out certain functions for the C.B.C., I do not see why plans of that sort should not be proceeded with.

Mr. SMITH (*Calgary South*): Unless perhaps it is a duplication of service.

Mr. DUNSMORE: Of comparable service; yes.

M. TREMBLAY: Monsieur Dunsmore, le contrôleur des finances, M. Henderson, a noté qu'il existe à Radio Canada une absence de contrôle sur l'inventaire, les biens de la société, particulièrement en ce qui concerne certains objets d'utilité courante. Pourriez-vous faire des commentaires au sujet des observations qui ont été faites par M. Henderson?

Mr. DUNSMORE: Yesterday I read from the minutes of our meeting of January 8, 1960 concerning the methods that were proposed for the control and handling of film inventories. The initiation of those controls, which took some time to put into effect, the board felt were satisfactory. I do not know whether or not that answers the question.

M. TREMBLAY: Croyez-vous qu'il y ait quelque fondement aux observations critiques qu'a faites M. Henderson à ce sujet-là?

Mr. DUNSMORE: I find it difficult to answer that question without having something concrete.

M. TREMBLAY: Monsieur Dunsmore, pourriez-vous faire des commentaires sur les recommandations finales faites par M. Henderson concernant la surveillance des finances de Radio Canada—sur les deux recommandations majeures qu'il a faites?

Mr. DUNSMORE: I must confess that I do not know what those recommendations were to which reference is being made.

M. TREMBLAY: Ce sont les deux recommandations qui paraissent à la fin du rapport de M. Henderson telles qu'elles sont consignées au compte rendu, à la page 751. It contains the words "We therefore recommend: (a) that the comptroller be authorized . . ." and so on, at page 751 of the evidence.

Mr. DUNSMORE: Those are recommendations which were made in a letter dated June 21, 1960. Since that time the comptroller, and the corporation generally, has put into effect a number of controls and internal reviews. On top of that, as I mentioned yesterday, in January of this year Ross, Touche and Company were given a special contract to assist in the setting up by the comptroller of an internal audit of various forms in the corporation.

M. TREMBLAY: Si je comprends bien, M. Dunsmore, vous dites qu'on a déjà vu à appliquer en partie, les recommandations qui ont été faites par le contrôleur général des finances du Canada, M. Henderson.

Mr. DUNSMORE: That is quite correct. As I also mentioned yesterday that was why the board of directors felt that immediate action on this implementation of the recommendation, to the effect that there be management consultants brought in, should be put off until these changes of which we have spoken should have an opportunity to show their effect. We felt it would take some time and it was only fair to give them a chance to show their effect.

M. TREMBLAY: Monsieur le président, une dernière question. Est-ce que cela implique que M. Henderson avait raison de promouvoir les changements finals qu'il a faits à ce sujet, les recommandations précises qu'il a faites dans son rapport?

The CHAIRMAN: Would you repeat your question?

M. TREMBLAY: Est-ce que le fait que la société Radio Canada a déjà, en quelque façon, dans une certaine limite, fait siennes, les suggestions du contrôleur général des finances, M. Henderson, n'indique pas que M. Henderson,



avait raison lorsque, il y a quelques mois, il a fait des suggestions précises à Radio Canada au sujet du contrôle des finances, de l'administration de la Société?

Mr. DUNSMORE: The recommendations regarding internal audit, as well as a number of other recommendations contained in this letter, were implemented; and there is no question about it being right.

Mr. McCLEAVE: This deals with another recommendation by Mr. Henderson, set forth at page 723 of our minutes, as follows:

... we are of the opinion that a useful purpose would be served by having the corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our office.

I think Mr. Dunsmore could give us some help, when the committee comes down to consider this recommendation, as to whether he thinks that the independent management consultants should in effect work in cooperation, or a sort of partnership, with the Auditor General, or whether it would not be better that the independent management consultants be wholly independent, that they could call upon any source they wish for help. This working in cooperation with the Auditor General seems to imply too close a tie and less independence than I think any of us would like.

Mr. DUNSMORE: I thought I had covered that yesterday when I gave my thinking on it. When I say my thinking, I mean the board's thinking. I said yesterday that the board had not by any means washed out the idea that we should have any management consultants come in. I said yesterday that I felt sure that the board's thinking on the subject would be along the lines that the management consultants who would come would particularly look after the operating side, because we felt that the auditing side was taken care of adequately, now, by the Auditor General, but this management group, if and when they come in, should deal with any area of our activities and should investigate our affairs equally—I mean that it is not just a question of auditing, that it is not just a question of programming, that it is not just a question of staging. It is a broad program. If we go into it, we will probably go into it as a full open investigation. As I pointed out yesterday, the only reason why there is any hesitation about doing it is—and this was one of the points which I made yesterday—that I do not think the time is just right for it.

Mr. McGRATH: I was intrigued with your remarks yesterday when you said that in your opinion the time was not right for such an independent survey by outside or independent consultants. Could you enlarge on that as to just exactly what you meant by saying that the time was not right? Were you thinking in terms of the growth in the organization or in terms of the growth in the industry?

Mr. DUNSMORE: I think I will be repeating what I said yesterday exactly, that when this recommendation came before the board, the board knew that there were certain controls. You must bear in mind the prime factors involved. It was only in the fall of 1959, a year and a half ago, that the reorganization was first proposed. It took some months to get that into effect. This letter came to us nine months after that first proposal, but only a few months after some of these controls, and so on, were getting going. It came to the consideration of our board, which discussed it very carefully in the fall of last year. The Glassco commission had been appointed in September of last year, which was another factor which affected their thinking. A third thing was this rather nebulous one which we have talked about, the concern which I had expressed to the board that the development of broadcasting in several different phases may have an effect on the structure of the C.B.C. and it seemed with all those factors there

we should not act at that time, but that we should give an opportunity first for management to put into effect the controls which they had initiated, give an opportunity for the pattern of the Glassco commission investigations to evolve, and also that we might have more information on the other matters of the development of broadcasting which I was concerned about. As I mentioned yesterday, it was left that within six months, or thereabouts, the matter would be reviewed—and this idea of having management consultants was by no means washed out.

Mr. McGRATH: During this period of review, do you feel that it is the opinion of the board that you should carry on with your capital expenditure program in Toronto and Montreal?

Mr. DUNSMORE: Yes, as I mentioned a few minutes ago, I do.

Mr. McGRATH: You feel it should go ahead?

Mr. DUNSMORE: With the one proviso that we should always keep in mind that we should not make commitments too far ahead. This program extends over five years and my thought may be that we should extend it over seven years, that this development will go on, and that perhaps we would not spend \$35 million, but would spend only \$25 million. We will adjust our pattern to the pattern of developing broadcasting.

Mr. McCLEAVE: I wonder if Mr. Dunsmore would be patient with me for one more question. My concern is more with the independence of the operations of the management consultants rather than with whether your board decides it is feasible to go ahead with them or not, or just how far they should look into the operations. My question is focussed on the independence. We have the recommendations that the management consultants work in cooperation with the Auditor General's office, and that to me seems to have certain pitfalls. I wanted your views for the help of the committee as to how far you think the independence of the management consultants should go?

Mr. DUNSMORE: I thought I had answered that, Mr. McCleave. What I intended to convey was that this should be definitely an independent group, that it should not be tied up with any phase of the corporation's operations, whether it be operations, or audit, or engineering, or any phase, that it should be independent of any particular phase and be, in fact, a broad study which could bring in an independent report.

Mr. McCLEAVE: And that, in effect, would mean independent, also, of the operations of the Auditor General?

Mr. DUNSMORE: Oh, yes. The audit is one phase.

Mr. McCLEAVE: That is the answer I wanted to get.

Mr. MACDONNELL: I noted that when you were speaking about the inquiring company, I think you said it referred largely to operating, and I think you said that the auditing will be taken care of by the Auditor General. My understanding is that the Auditor General is a sort of over-all viewer of the auditing of government departments and crown corporations—though I understand there are one or two exceptions. Should I take it that what you really meant was that the Auditor General would review the auditing, but that it would not be his duty, of course, to do the auditing of the corporation itself. That would be done in the ordinary course, and the Auditor General's position would be at a higher level, surveying this among other operations?

Mr. DUNSMORE: Well, the Auditor General is the auditor of the corporation and, as such, we expect, and have found, that he brings to our attention any specific irregularities in our accounting or in our financial operations that are not in accordance with the act or any regulations we have, whether they be C.B.C. regulations or other government regulations.



Mr. MACDONNELL: Then I am wrong in thinking that the corporation has another auditor—as happens in most cases. This is one of the cases where the Auditor General—

Mr. DUNSMORE: I wonder perhaps if we have been referring to internal auditors. We have internal auditors who are permanent employees and who are continually auditing certain phases of our operations.

Mr. MACDONNELL: I think that is what I had in mind.

Mr. DUNSMORE: The Auditor General, in this recommendation that we referred to a moment ago, was speaking of the strengthening of that, and the investigation of that; and I have tried to outline what has happened since then in setting up a firm and efficient internal audit department.

Mr. MACDONNELL: Thank you.

Mr. SMITH (*Calgary South*): My question is supplementary to that asked by Mr. McGrath, Mr. Chairman. I ask it more for clarity here because we had been talking about two surveys and I think Mr. Macdonnell is having, as I am, some difficulty in separating the two of them. The Auditor General has suggested a survey which deals with the organizational structure of the corporation—to use his own terms—and then you, sir, have introduced another survey, which I think is interesting, an economic survey which you suggest should be made to determine the future patterns of broadcasting. Am I right up to this point?

Mr. DUNSMORE: That is right.

Mr. SMITH (*Calgary South*): I wonder then if you would perhaps elaborate first of all, and tell the committee whether any action has been taken at all on developing an economic survey, or if this is still in the embryonic stage in your own view? Could you also tell us how you image this might function, whether it would be on a continuing basis, how it would report, what its responsibility might be? Otherwise, should we deal with this economic survey which would be very valuable in terms of where the corporation is going in future finance?

Mr. DUNSMORE: It was set up as a one-shot affair, in other words to take the situation as we saw it and try and translate that into economic effects.

Mr. SMITH (*Calgary South*): Who did it?

Mr. DUNSMORE: Management has set up a group to do that, but I cannot tell you the names of the group.

Mr. McGRATH: On the advice of the board of directors?

Mr. DUNSMORE: The board of directors requested that this be set up and that a report be made to them as to their assessment of the pattern of broadcasting as it appeared to be developing at this moment.

Might I continue and say that I see no reason why it might not be a continuing group because if broadcasting continues to be in a state of flux, as it might very well be, then I see no reason why this group might not carry on.

Mr. SMITH (*Calgary South*): I would assume therefore that a predicted five year program for the corporation was probably developed from this survey; was it?

Mr. DUNSMORE: The survey is not complete yet. I expect an interim report at our June meeting, three weeks hence, and a final report as far as they can make it, in September; but that is only our hope.

Mr. SMITH (*Calgary South*): I must ask you again this question: under such a circumstance, you would not anticipate carrying out any major projects of capital expenditure until such time as you knew the result of the survey?

Mr. DUNSMORE: There is no plan for carrying out any major capital projects other than that called for by this year's capital budget. This year's capital



budget calls for only the purchase of land and preliminary engineering. There will be no pick and shovel work this year.

Mr. McGRATH: Surely you do not want to find yourself with a project of real estate in Toronto and Montreal and find the plan is going to be shelved indefinitely?

Mr. DUNSMORE: We see no possibility of this plan being shelved indefinitely. We might find ourselves, in the ultimate, with a few acres of land more than we want in either place, both of which parcels of land are in areas where we could not possibly lose money.

Mr. PRATT: Supplementary to that, is this land in Montreal—20 acres I believe—not in an area of very high priced downtown property?

Mr. DUNSMORE: We have no land in Montreal.

Mr. PRATT: Not as yet?

Mr. DUNSMORE: We have an agreement for a piece of land, but that is not completed yet. Another piece of land has been suggested.

Mr. PRATT: But the land you have under consideration in Montreal is in an area of fairly high prices, is that right?

Mr. DUNSMORE: The land that we originally had.

Mr. PRATT: How many parcels of land are under consideration in Montreal at the present time?

Mr. DUNSMORE: This is rather difficult to explain, I am afraid, but we had a piece of land adjacent to Dorchester street, on which we had pretty well completed our negotiations in September of last year. There was a municipal election in Montreal in October and the new group that came in are not quite in accordance with the same views of the people who preceded them. So the negotiations which had not been completed were stalled at that point. An alternative situation has been suggested, and that is still under study.

Mr. SMITH (*Calgary South*): Could I ask you finally, Mr. Dunsmore, whether it is correct to say, therefore, that the corporation does not intend to initiate any project which might prejudice or predetermine the economic survey to which you made reference?

Mr. DUNSMORE: As far as consolidation in Montreal is concerned, yes.

Mr. SMITH (*Calgary South*): But it does in some other areas?

Mr. DUNSMORE: Yes, we see no reason for it on the other capital projects we have, which are all of a comparatively minor nature. A good deal of it is equipment.

Mr. PRATT: Before I was interrupted by my good friend from Calgary South, I was trying to obtain an approximate figure of the cost per square foot of the parcel or parcels of land under consideration by the C.B.C. in the city of Montreal. I would like Mr. Smith to defer until I get an answer or a refusal to that question.

Mr. SMITH (*Calgary South*): I had not finished my examination before Mr. Pratt interrupted me.

Mr. PRATT: It seems quite mutual.

The CHAIRMAN: We are getting very far afield from the examination. This is on operations, anyway.

Mr. PRATT: But it is fun.

The CHAIRMAN: It is also time consuming.

Mr. FISHER: Have you made a ruling?

The CHAIRMAN: I rather think it would be very difficult to find out. It might be more easily found out from the president of the corporation, if we ever get back to examining him. Mr. Lambert has waited for half an hour now.

Mr. LAMBERT: First of all, Mr. Chairman, it is my understanding that Mr. Dunsmore was here to be examined on the Auditor General's report. We have now branched into practically everything under the sun, and I am going to put forward my question with some trepidation because it may be felt that it should be answered by Mr. Ouimet. It has reference to the finance committee and in particular to a comment of the Auditor General on page 746 of the committee's hearings with respect to accounts receivable. I was wondering whether the finance committee had under consideration any observations about the volume of accounts receivable. I also seem to suspect that there is, in the last sentence at the top of page 747, a suggestion that the volume of accounts receivable is far in excess of what would be good accounting and business practice, and that perhaps there should be some incentive to bring into liquidation accounts receivable rather more quickly than they are at the present time. Has this problem ever come before the finance committee?

Mr. DUNSMORE: The finance committee meet once a month and each month they consider the financial statement for the preceding month for which final figures are available. One of the constant subjects for their review is this question of accounts receivable. The finance committee feel the accounts receivable are in good shape. On occasional months they go off and they are immediately investigated and explanations given for the temporary slipping off that there might be, and the opinion of the finance committee is given to them.

Mr. LAMBERT: Have you any idea what the average turnover on accounts receivable might be?

Mr. McGRATH: I think that question should be deferred for the executive management of the corporation.

Mr. LAMBERT: I will put my final question. Is there a policy of discounts for immediate payment of accounts receivable, and has question ever been brought before the board?

The CHAIRMAN: This again comes within the confines of operation.

Mr. LAMBERT: No, sir, this is for the finance committee.

The CHAIRMAN: You will have to ask Mr. Davies the comptroller.

Mr. McGRATH: I suggest we move along.

The CHAIRMAN: I would suggest so too.

M. TREMBLAY: Monsieur le président, vous me permettrez de revenir au point crucial de l'enquête, précisément ce pourquoi M. Dunsmore est devant nous. Je comprends que l'on puisse discuter, en raison des circonstances, de l'opportunité de confier la surveillance, un examen des finances de Radio Canada à une agence indépendante, mais je voudrais savoir ceci: Ne pensez-vous pas que, eu égard aux irrégularités assez nombreuses qu'a signalées le contrôleur général des finances, M. Henderson, la recommandation qu'il a faite au comité, à l'effet de confier l'examen des finances de Radio Canada ou de l'administration de Radio Canada à une agence indépendante, soit pertinente?

Mr. DUNSMORE: Well, Mr. Chairman, I do not know whether or not you were going to speak on this. I do not think that there ever has been any question of financial control of the corporation going outside the corporation.

It has been suggested—

Mr. TREMBLAY: Just a moment. I think that interpretation is not very good. I did not mean financial control; I meant examination by an independent firm in connection with the finances of the C.B.C. This is not the same thing.

Mr. DUNSMORE: Then, as to the question of irregularities that were pointed out, I do not know of any that were pointed out, except some points that were raised in the Auditor General's letter of June 21, which I discussed yesterday. There were a number of changes there which he suggested, which have been implemented—some others, which I dealt with yesterday.

M. TREMBLAY: Je pense bien qu'il y a divergence de vue assez profonde entre M. Dunsmore et moi. Je pense bien que si l'on sait lire entre les lignes, le rapport de l'auditeur général comporte un nombre assez important d'irrégularités, et je pense que si M. Henderson n'a pas voulu exprimer de façon agressive les reproches qu'il voulait adresser à la société Radio Canada, il est quand même facile de voir qu'il en est et qu'elles sont suffisamment importantes pour que les membres du Parlement, lesquels en définitive sont responsables de l'utilisation des deniers publics, s'inquiètent.

Mr. DUNSMORE: I would like to have, if I could, those irregularities pinpointed.

Mr. FISHER: I think that is a good idea. Pinpoint the irregularities, Mr. Tremblay.

M. TREMBLAY: Monsieur le président, vraiment, je ne pensais pas que M. Dunsmore pourrait me poser une question comme celle-là. Je le prierais, s'il veut vraiment avoir le détail de l'affaire, de lire lui-même le rapport présenté par M. Henderson et, en particulier, les remarques et les observations concernant les inventaires qui me laissent tout à fait perplexe. D'autre part, les explications fournies relativement à la location des films ne sont pas satisfaisantes. En tant que membre du Parlement, je pose encore la question: Croyez-vous que les observations de M. Henderson soient fondées, oui ou non?

Mr. McGRATH: Mr. Chairman, with deference, I submit that this question which my colleague poses has been dealt with.

On a point of order, the witness read from an interim report of the corporation on film inventories. We dealt with that at the beginning of our hearing today. It is obvious that this is a privileged document which has an effect on the commercial operations of the corporation, and therefore we are not going to demand that it be tabled.

The CHAIRMAN: I agree with you entirely. It may be his opinion that it is not satisfactory to him. Possibly he will have to pursue his question further with the president of the corporation.

Mr. McGRATH: I move that we hear now from the president of the corporation.

Mr. TREMBLAY: Mr. Chairman, I am not through with Mr. Dunsmore. I put some questions to him and, up to the present time, I have not received answers to my questions.

Mr. McCLEAVE: In his question, the member has used the word "irregularity". It does not appear in the Auditor General's report. The Auditor General suggests better ways of doing things, but that does not have the same connotation as the word "irregularity".

The CHAIRMAN: I agree with you.

Mr. TREMBLAY: It is a question of opinion, Mr. McCleave.

The CHAIRMAN: This is my opinion as well, Mr. Tremblay.

Mr. TREMBLAY: On a point of order, Mr. Chairman, I am not finished with my questions to Mr. Dunsmore.

The CHAIRMAN: All right.



Mr. TREMBLAY: I want to have a very clear opinion on the report presented by Mr. Henderson. Does he accept the recommendations of Mr. Henderson as having some sort of foundation?

Mr. MACDONNELL: If I could interrupt, Mr. Chairman, I am just wondering what relevance this has. We have asked Mr. Dunsmore to come here to give us his views on certain things, and to give us certain facts relative to this subject. Do you think it is fair for us to ask him his opinion on this and that? I do not think so. That strikes me as a rather odd explanation for the reason he is brought here. Am I wrong on that?

The CHAIRMAN: And, included in that was the fact that he said most of the recommendations made in the report had been carried out.

Mr. McGRATH: And the most important one is under consideration, that of management consultants.

Mr. TREMBLAY: It is a matter of opinion.

I think Mr. Dunsmore is a responsible public employee, and that is why I put my question. If I cannot have any answer to my question, I do not know why I have to stay here and work with this committee.

Mr. DUNSMORE: Speaking as the chairman of the board, the board of the C.B.C. reviewed very very carefully all of the points—some fifteen of them, that were raised in the Auditor General's report and, at the direction of the board, the Auditor General was advised as to the board's reaction to them. I think I have covered that as clearly as I am capable of doing. So, what I have expressed is what the board feels about it. It must be remembered that I am speaking as chairman of the board and not giving my personal opinion.

Mr. FISHER: Do I understand, Mr. Chairman, that in effect you have ruled—and it is also the opinion of this committee—that we are to question Mr. Dunsmore from now on relating only to the Auditor General's report.

The CHAIRMAN: Well, if we are ever going to get through with him, I think we should proceed that way. I think a lot of these questions were on operational matters, and this is a policy group.

Mr. FISHER: I should like to ask the witness, as chairman of the board, a couple of questions in relation to a topic that was brought up a number of times previously in the committee, regarding the president and vice-president of the corporation and the fact that they are also on the board. If you want to rule this out of order that is fine with me, but I thought this would be a good opportunity to ask how that arrangement works in practice, having the president and the vice-president as members of the board? I wonder has the witness any views or opinions to express on that?

The CHAIRMAN: That opens out very wide vistas of questioning.

Mr. FISHER: If you want to rule it out of order, that is fine, but if you check back to pages 404 and 417 of the report of our proceedings you will find there was considerable discussion about the matter. Mr. Ouimet made a statement saying how active the board was and how busy its members were. Mr. Dunsmore could give us his views on how active the board is and how seriously it is taking its responsibilities, because it seems to me there still might be some doubt among some members of the committee as to whether it is an active board. His answer would underline what has already been stated.

The CHAIRMAN: It would be very doubtful if the witness could give an answer other than a very positive one, that it is a very active board.

Mr. FISHER: I think his answer would be very necessary.

Mr. DUNSMORE: I do not know if this might be of any help, but the board of directors wrote to the secretary of the parliamentary committee on broadcasting which, I believe, met for one meeting last summer, in response to requests from

that committee about their reaction to the working of the act. That answer, I believe, covers the board's reactions to it.

The CHAIRMAN: Are we now finished with this witness?

Mr. PICKERSGILL: No. Mr. Chairman, I regret I have not been able to be here earlier, but there is just one question—

Mr. McGRATH: So, we will hold up the whole show as usual. It happens every time. The whole parliamentary process will grind to a halt.

The CHAIRMAN: Order.

Mr. PICKERSGILL: Perhaps if this eruption is over I may proceed with the question I was going to ask. I have only one question and it is supplementary to that asked by Mr. Fisher. It has to do with one subject, in which we as members of parliament are expected to have a prime interest, and that is in the working of the act of parliament for which we had a joint responsibility in 1958. I am speaking about the present Broadcasting Act, and I should like to ask Mr. Dunsmore does he think that the C.B.C. works better by having the chairman of the board separate from the president as the chief executive on it?

If I may make this observation regarding the reason I put the question, I recall at the time Mr. Dunsmore was elected, which I think was June 24, 1959, or at any rate thereabouts, the president of the corporation was ill and there obviously had to be some special arrangement made at that time. However the arrangement which was made was, in effect, a permanent situation, or as permanent as these things ever are. We are now getting pretty close to June 24, 1961, and I think the committee ought to know after two years of this regime, which is not precisely the regime parliament contemplated when the act was passed, whether Mr. Dunsmore thinks it is working well and what its advantages are?

Mr. PRATT: Stunned silence!

The CHAIRMAN: Could you give us your answer?

Mr. DUNSMORE: I think my answer would be the same as it was to the previous question; the reaction of the board to the working of the act and the bylaws is expressed in our letter to the secretary of the parliamentary committee, I think, of last December, but I am not sure.

The CHAIRMAN: Are you satisfied, Mr. Pickersgill, or have you not read the letter?

Mr. PICKERSGILL: Well, an answer is an answer!

The CHAIRMAN: Are we agreed that Mr. Dunsmore can be excused, and that we can get on with the corporation?

Some Hon. MEMBERS: Agreed.

Mr. McCLEAVE: Acquitted with honours!

The CHAIRMAN: Thank you very much, Mr. Dunsmore.

Now, then, as you will recall, we were on finance in our agenda, and I certainly hope that we will keep our own questioning very concise and dispose of financial matters very quickly. Let us try to get through with the corporation in the three or four and one-half hours which are remaining to us this week.

Now, as far as the present witness, Mr. Ouimet, is concerned, he would like to make a few comments on testimony that has been given.

Mr. SMITH (*Calgary-South*): How long are we going to sit today?

The CHAIRMAN: Until five o'clock.

Mr. J. A. OUIMET (*President of the Canadian Broadcasting Corporation*): Mr. Chairman, first of all I would like to make a correction in the minutes of proceedings No. 25, at page 685, the fourth paragraph, the second line of which reads:

The only problem comes on the electronic section of the network.



What I said was:

The only problem comes with the electronic connection of the network.

Now, Mr. Chairman, if I may, I would like to make a few comments on the testimony that you heard last Thursday. I have the impression that the committee called on Mr. Dunsmore just at an opportune time, and I am sure that his remarks of yesterday and today have already done much to reassure you. In such financial matters, we have the advantage of the objective viewpoints of businessmen like Mr. Dunsmore, Mr. Leeson, Mr. Ganong, and Mr. Dupuis, who, as directors, give part of their time to the corporation, bringing a constantly fresh point of view to the board on our problems. This, of course, stems from their outside experience, and from the fact that they do not become immersed in the day-to-day operations of the corporation as a full-time president or a full-time chairman might well do. Similarly, the other members of the board bring to the corporation fresh points of view based on their particular knowledge and their experience.

Now I shall try to avoid any duplication of Mr. Dunsmore's remarks regarding the report of the Auditor General. In this report about fourteen or fifteen points were raised, and I believe that all but four of them could be assumed to have been disposed of, because Mr. Henderson had no further comment to make about them during his appearance before you, and I would like to sum up, very quickly, the four points that were discussed at length by Mr. Henderson and by committee.

First, there was a suggestion that the C.B.C. might have lost considerable sums of money by paying in Canadian currency for American films purchased through Canadian distributors. During the course of the testimony, as much as \$ $\frac{1}{4}$  million was mentioned as a possible loss. Now, Mr. Dunsmore has already stated that the finance committee and the board have satisfied themselves that this had not been the case. And may I add that to the best of my knowledge, and to that of my colleagues, the corporation did not lose any money whatsoever in paying in Canadian funds, as the price of the film rights would have been immediately raised to compensate for the lower value of the American dollar had this currency been used instead of the Canadian currency.

The second point which was raised was that there was a possible deficiency in internal control. I think Mr. Dunsmore has dealt with this in a very complete manner, and I do not think I can add anything except to assure the committee, as Mr. Dunsmore did, that the corporation at all its levels—management, finance committee, and the board of directors—has striven at all times to establish and maintain the best control possible at any one time. I should say at any particular time. I say this because obviously there are circumstances which make it difficult to complete certain aspects of our organization until certain other steps have been taken; and the corporation is still growing; and as I said before, I do not want to give the impression that everything is perfect. Far from it. But you can be sure that we are working very hard to make it as perfect as possible.

The third point which was raised was that the comptroller should report to the chief executive rather than to the vice-president. I shall not inflict upon you a long argument on this point. It is a debatable one. The whole question has become academic now, since the comptroller has been reporting to me since last December, first on a temporary basis, and then on a permanent arrangement as of February last. I am surprised, frankly, that Mr. Henderson did not know that this had been placed on a permanent basis, because I thought he had very adequate daily contacts through his staff with all our operating activities and with our own accounting people.



May I say in passing that the system that we had for about two months of the comptroller reporting to the vice-president of administration is not some oddity in terms of organization. It is exactly the same system used by the largest broadcasting organization of all, the B.B.C. in England, and it is the system used by the N.B.C. in the United States, and it is also the system used by R.T.F. in France. At least I hope they have not changed their organization since I last checked it; but they have had that organization for a great number of years. However, it is now academic, because the comptroller reports to me.

Fourthly, on the question of consultants, Mr. Dunsmore has corroborated what I have already told you, that we do not think that it would be advisable to engage consultants for any major organizational study at this time. We employ consultants as needed for specific purposes. In our opinion, to add in the near future another major inquiry on top of those we have had in recent times would decrease our efficiency rather than add to it. Inquiries and reorganizations are very much like surgical operations. There is a limit to how many any given patient can stand in any given time. We have had the 1959 parliamentary committee, and a major reorganization was initiated in October, 1959, as suggested by the parliamentary committee of 1959. This organization has not had time to jell completely, yet. We have had this parliamentary committee, and we are just starting with the Glassco commission. However,—and I really mean this—if there is still any serious apprehension or suspicion—and I believe those were the words used by Mr. Henderson in his testimony last Thursday—about our efficiency, or our internal control, the corporation would rather have the matter settled immediately, once and for all. There is no room for suspicion in or around any organization serving the public. And if there is something seriously wrong with the C.B.C., it must be disclosed to public view immediately, and if there is nothing wrong, then the public must know that also. I think the integrity of the corporation should be beyond question if it is to do its work properly. Mind you, inquiries and consultants cost a great deal of money, and, what is for us more serious, while the whole top executive level of the corporation is tied up for weeks or for months during a major examination of its efficiency, the same executives are obviously not able to give their best attention to their primary job, which is that of providing the best possible national service. However, as I have said, if the committee really feels that a further look into the operations and finances, or the finances of the corporation is indeed necessary, may I point out as Mr. Macdonnell suggests, that making use of the Glassco commission for this purpose seems to have the merit of an economy and the avoidance of duplication. It may well be that the Glassco commission is already doing what this committee might desire to have done.

If not, it might seem to be far simpler for this body of inquiry to extend the scope of its work in one direction or another, rather than to start afresh with another group. We have already provided the staff of this commission with a great deal of information and they should already be quite familiar with our work.

I would now like to refer to the suggestion that we should delay the consolidation of our Toronto and Montreal facilities until the inquiry suggested by Mr. Henderson is completed. As I have already said, the corporation strongly hopes that such an inquiry will not be added to our other burdens. However, should another inquiry be decided upon, I have the most serious reservation about the wisdom of delaying our consolidation projects. While I see every reason for exercising the greatest care in planning the most efficient layout possible, I see no reason whatsoever for delaying these construction projects until the inquiry is finished, because these projects were recommended by the Fowler commission early in 1957 as a measure of necessity and economy in the first place.

As Mr. Dunsmore has already said, in Toronto we operate,—I believe he said in twelve locations; I thought it was only ten. In Montreal the situation is even worse, with offices, studios, shops, and broadcasting facilities dispersed in 22 different locations. If the committee is looking for real wastage in the corporation, this is where it lies. I am sure I do not have to indicate how inefficient it is to have our staff and facilities dispersed in this fashion. Not only does it cost more to operate, but what is more serious, this very dispersal affects the quality of our product and the internal cohesion so vital in our operations.

Now, there are other important reasons why these projects should not be delayed. Our Toronto project is already in relatively advanced stage of engineering planning and design and the necessary property has been purchased. In Montreal the situation is not the same. We are still negotiating there for a suitable location. Engineering consultants for these projects have been engaged several months ago. Also, our own engineering and architectural staffs were enlarged to undertake the extremely complex and extensive planning and design necessary for projects of this kind. To stop this work now for any length of time would, in my opinion, involve a considerable loss of money. I do not know how much, because it would depend on how long the interruption lasted; but if it lasted for any time, the loss could be several hundred thousands of dollars. It might be more accurate if I said some hundreds of thousands of dollars. I have in mind a figure in the order of \$300,000.

I should point out that these projects were approved in principle by our board and by the government to the extent that funds were provided in recent budgets for the purchase and clearing of property, together with necessary engineering and planning. As Mr. Dunsmore indicated, we intend to examine each step in these projects most carefully before we move forward, to make absolutely sure we do not do anything which is not absolutely essential.

May I close on a more general note. It has been five years since Canadian broadcasting was examined in detail by a royal commission. During that period there have been major changes in the system, many of which have had their direct effect on the corporation. More recently there have been statements made in this committee about the place of the national service within the framework of the Canadian broadcasting system. In spite of what I have already said about the C.B.C.'s apparent proneness to inquiries, may I say that in a couple of years the corporation probably would welcome another such comprehensive study. I use the word "comprehensive" because such a study should cover all the aspects of the corporation's policies and operations. At that time, when the second stations are firmly established and the second network is operating, circumstances may be such that a royal commission on broadcasting would again be indicated. It is the corporation's view that a major periodical study of this kind is of the utmost importance not only to the C.B.C. but to Canada and to parliament.

The CHAIRMAN: That completes the statement. Are there any questions?

Mr. McCLEAVE: Mr. Ouimet, I think perhaps you have laid over-emphasis on the management consultant group looking at you. You used the word "suspicions" several times. I am sure you heard Mr. Dunsmore use the expression that it is a sign of health in a large organization when it calls in people to help it achieve more efficiency. Do you not think there is that aspect of looking at it, and that it is a sign of health rather than an indication that everyone here is suspicious of the operation of the C.B.C.

Mr. OUIMET: If I remember correctly, I think I was referring to words used in the testimony which we heard last Thursday. I think the word "apprehension" and the words "we suspect" were used.



Mr. McCLEAVE: Could I supplement this. Is Mr. Dunsmore's approach a reasonable one, using the premise that it should be at a time that is appropriate.

Mr. OUIMET: I certainly agree with that. I never wanted to convince the committee that we had some allergy to inquiries or consultants. On the contrary, we have had a great number of them and are using consultants at the moment. We have used two or three in the last two years, I believe.

Mr. SMITH (*Calgary South*): I have had some doubt in my mind whether Mr. Ouimet has thoroughly understood the purpose behind the suggestion in respect of the management consultants and whether he realizes the type of survey they would carry out. You mentioned you did not want to have top management all tied up, and then you started making comparisons with the royal commissions and examination by committees. I suggest there is little relationship between the examination this committee has taken, or the time involved, and the work which would be done by management consultants who would come in with a view to assisting you and showing you how you might do something considerably more efficiently than it has been done in the past. I hope that is understood by you.

Mr. OUIMET: I am glad to hear you present this proposition in these words, because actually I had understood that it was to be some inquiry by management consultants working under the direction of the Auditor General. This afternoon, during the discussion, and I believe also during Mr. Dunsmore's testimony, I think this proposition has perhaps changed in its general aspect, and perhaps at the moment we may be discussing just the use of consultants. May I point out to you that we are doing just that at the moment; we are using consultants. Ross, Touche and Company are conducting for us a specific project which has been going ahead for a few weeks or perhaps a few months and will continue to go ahead. We have been doing this sort of thing all the time. Therefore, I assumed that what was being suggested was something different from what we have been doing anyway.

Mr. SMITH (*Calgary South*): Of course this firm has been carrying out its function in a relatively limited area, compared with the suggestion that perhaps a firm of management consultants might have a look at the organizational structure and related facets. Surely you can appreciate that in private industry this is something which is carried on and requested by management every day of the week, and it is not, therefore, suggested that management is frightened and that someone is likely to suggest there is lack of confidence in management; quite the reverse.

Mr. OUIMET: Mr. Smith, I have not suggested in any way that the position of the corporation is influenced by any fear of lack of confidence or any such thing. We have simply indicated to you—and I think Mr. Dunsmore has done that very well—that after considering the proposition of engaging consultants at this time the board, the finance committee and management of the corporation have simply come to the conclusion that we should allow our present organization to jell, that we should wait until our own controls are completely established, until their effectiveness is determined, and then at that time we should look at the advisability of having consultants.

Mr. SMITH (*Calgary South*): Thank you.

Mr. OUIMET: Let me finish. I am not quite through. Then, at that time, let us decide whether the corporation, at least, considers these consultants are required.

Mr. McCLEAVE: What about the time limit here? Do you think this can be done within two years—that the jelling would take place in two years, one year or three years?

Mr. OUIMET: Yes.



Mr. McCLEAVE: Which one?

Mr. OUIMET: I would say that in another year our organization should be going at full efficiency, that we should be able to determine whether there is any further change to be made.

Mr. McGRATH: You are commenting on Mr. Henderson's testimony with regard to management consultants. I think it is the understanding of the committee that what Mr. Henderson suggested to the committee was that his office engage the consultants and that they make their report to him. It did not concern his office in the over-all analysis of the organizational structure; it just concerned his office engaging the management consultants and reporting back to the Auditor General.

Mr. McCLEAVE: Should an auditor ever be allowed to check on his own practice? I think the assumption there is that there is a complete infallibility in the operations of the office, and I do not think that even the holder of that office would care to say that the Auditor General is the last word in infallibility. That to me is the danger point in that recommendation.

Mr. McGRATH: If it had to do with the operational structure and not with the financial structure, in the limited field of accounting, he was quite safe in what he said, in regard to the over-all complexity of the organizational structure. On page 15 of his report, he said:

We stated that because of the importance of the system of internal control—I am afraid I am going to contradict myself here.

—particularly with regard to its account and financial implications, we are of the opinion that a useful purpose would be served by having the corporation's organizational structure in terms of its present size, complexity and cost made the subject of a study by independent management consultants working in cooperation with our Office.

That is very clear.

Mr. FISHER: "In cooperation" is a little different from what you and Mr. Smith suggested.

Mr. OUIMET: There is another statement. I do not remember who asked the question. I believe it was Mr. Chown. At page 731 of the minutes of this committee, Mr. Chown asked Mr. Henderson whether he thought this study should be conducted with the Auditor General as principal, and having under his supervision such management consultants as he feels are competent and capable of doing the job. Mr. Henderson described the interpretation as correct.

Mr. McCLEAVE: This is contrary to what Mr. Dunsmore feels on this subject this afternoon.

Mr. OUIMET: Yes, Mr. Dunsmore has indicated, I believe, that the corporation had other views.

Mr. FISHER: I want to ask Mr. Smith about one of the interpretations. He has more experience of business than I have. Is it true that business is constantly under review from week to week by management consultants?

Mr. SMITH (*Calgary South*): I doubt if I suggested that. It is certainly true that in business, taking a broad concept of industry as such, from time to time individual corporations of course employ management consultants, and this is a practice which I am sure Mr. Ouimet is more than familiar with.

Mr. FISHER: I gather from your suggestion that C.B.C. seemed to be afraid of the thing, and that private business was not. I cannot believe that private business is not afraid and that the C.B.C. is.

Mr. SMITH (*Calgary South*): Perhaps I can allay any fears on Mr. Fisher's part. I did not suggest that the corporation was frightened, but I was making reference to the words Mr. Ouimet used, such as "suspicion", "nothing wrong",

and "integrity". I pointed out that this was not a case of a reflection on anybody but was a case of employing management consultants, and that firms in their day-to-day business or year-to-year business used these services in order to improve the efficiency of their operations. This was the basis on which I assumed that the operation would be carried out.

Mr. FISHER: Are you forgetting Mr. Henderson's words, "apprehension" and "suspicion"?

The CHAIRMAN: I think you should settle this in court, or somewhat else, and let us get on with the work.

Mr. SMITH (*Calgary South*): I agree with you, Mr. Chairman.

Mr. McGRATH: I would like to clear up the point on page 732 in the second paragraph. I asked the Auditor General:

To whom should they report, if such a study were undertaken?  
And his answer was quite extensive. I presume Mr. Ouimet has read it.

Mr. OUMET: Yes, Mr. McGrath, there were several references to this particular aspect of the recommendation. The one to which I was referring was at page 731, about three-quarters of the way down the page:

Mr. Chown: I take it that if management consultants are retained by crown corporations to supplement the work done by the Auditor General, he would feel he should be in the capacity of principal, and that as principal he should retain under his supervision such management consultants as he feels are competent and capable of doing the job. Would that be a reasonable paraphrase of your comments this morning? It was not clear.

Mr. Henderson: That is correct.

That is what I was referring to.

Mr. McGRATH: Now, will you read page 732, the second paragraph?

Mr. OUMET: I agree, Mr. McGrath, that the same proposal was put in different ways with different degrees of emphasis; but in all cases there were proposals for consultants working in cooperation, the consultants in one case being engaged by the office of the Auditor General; there were different degrees of insistence on this particular point.

Mr. McCLEAVE: I think we have both points of view, Mr. Henderson's and Mr. Ouimet's, backed by Mr. Dunsmore's.

Mr. PICKERSGILL: And more than one of Mr. Henderson's, who seems to have changed his views as he gave evidence.

Mr. McGRATH: That is unfair comment.

Mr. SMITH (*Calgary South*): It is typical of him, in referring to the Auditor General.

Mr. McGRATH: Before we leave finance, there are other questions regarding the rate structure of the corporation.

The CHAIRMAN: We could hold them over until we get into the commercial operations.

Mr. SMITH (*Calgary South*): I have a short question on finance. Mr. Ouimet, you have a small radio network known as the dominion network?

Mr. OUMET: That is correct. It is not small.

Mr. SMITH (*Calgary South*): Small in terms of operation.

It is actually quite sizable in terms of staff and such facilities as make up a network. Has it necessarily provided a satisfactory function as, I believe, you have only very limited commercial use for it? Is this correct? This is the point I am trying to get to: do you not find also that quite a number of your affiliates are leaving it and finding it perhaps of little value?



Mr. OUIMET: I do not believe our affiliates are leaving it. What has happened is that the number of hours of programming we feed to this network has been reduced over the last few years, and as I think we have explained once before either to a parliamentary committee or to another body, we ourselves have been studying the advisability of either continuing or discontinuing the network, and this study is in an advanced stage at the moment. But we must have discussions with our affiliates regarding it before we make a final decision.

Mr. SMITH (*Calgary South*): Is it correct then to say that you have some doubt about the advisability of continuing it?

Mr. OUIMET: We have had some doubt about it.

Mr. SMITH (*Calgary South*): Is it correct to say that you carry just the one large commercial program on it—the world series I believe?

Mr. OUIMET: This may well be so, but we do not in any way measure the need or the worth of our network or our service by the number of commercial programs that we carry on it.

Mr. SMITH (*Calgary South*): I did not intend to associate it with that point. All I am attempting to establish is that apparently it is, as you say, a large network and you are uncertain about the number of affiliates who are leaving it, but I believe some are.

Mr. OUIMET: No, as far as I know none has, for the good reason that they have to be disaffiliated in order to leave it. They would have to have authority to leave it.

Mr. SMITH (*Calgary South*): But you must, in order to undertake this study, have some doubts about continuing it?

Mr. OUIMET: We indicated that two years ago. The reason we have some doubt is that at the moment there are in effect two national English language networks operating—radio and television—so there is already this choice of service.

Mr. FISHER: Supplementary to that, you are also aware that there are some places which are very anxious for the dominion network not only to be kept on but that the function be expanded to take over some of the trans-Canada network functions. Is that so?

Mr. OUIMET: I am aware that there are a number of locations in Canada which would like to see both our trans-Canada and dominion networks service carried to a greater extent than they are now by our private affiliates.

Mr. FISHER: It is not a case of leaving them. I would not like Mr. Ouimet to drop the dominion network service very quickly because it is certainly going to cause some complaints in my part of the country.

Mr. OUIMET: No, Mr. Fisher, we have not decided on this yet, but the only alternative to continuing the dominion network and the trans-Canada network as separate networks would be to try to make a better and more complete single network out of the two. So the alternative we are considering would be only in terms of possible improvement over what we have.

Mr. SMITH (*Calgary South*): And at considerable saving.

Mr. OUIMET: Unfortunately not at such a great saving. This is what we are looking into.

Mr. McCLEAVE: Half a million dollars a year.

Mr. OUIMET: It depends on a number of factors; it depends on how many of the present stations we keep on it and how many of the dominion network stations are added to the single network. It also depends on our use of the dominion network lines in the morning and in the afternoon as pick-up circuits to feed our trans-Canada network or a single network if this were decided on.



Mr. McCLEAVE: Before you leave the question, Mr. Ouimet, would there perhaps not be more incentive to the private broadcasters to form a national network among themselves if you did not have this dominion network feed? Perhaps that is too rough a question.

Mr. OUIMET: It is not a rough question at all. We have never thought about it.

Mr. SMITH (*Calgary South*): May I ask you this, Mr. Ouimet? You made many references to the recommendations of the Fowler commission. Incidentally, did they recommend dropping it?

Mr. OUIMET: I believe the Fowler commission either recommended that, or recommended that we review the advisability of carrying it on. I believe they had serious doubts about it.

The CHAIRMAN: Are there any further questions, or are we finished with finances?

Mr. FISHER: Was Mr. Ouimet going to make a statement about formula?

Mr. OUIMET: Yes.

Mr. SMITH (*Calgary South*): And the projection of costs?

Mr. OUIMET: Yes. I should explain to you, in case we do not have much time to discuss the document that will be distributed to you, that this is not a formula or a recommendation that has been approved and cleared by the whole board of directors. We had an executive committee meeting and it was agreed that I would present what we have now as the recommendation of management to our own board, and it will be studied later by our own board. But we thought that it would be still useful to you because it indicates our line of thought.

Mr. SMITH (*Calgary South*): Could I ask this question so that I clearly understand you, Mr. Ouimet? Nevertheless, all of the items which you currently have on your drawing board will be included in this projection of costs; is that right?

Mr. OUIMET: When we are talking about formula, we are talking about operating expenditures. The formula does not include any of the capital projects. It would include the effect of the capital projects on the operating expenditures. As far as capital is concerned, what we intended to give you was an approximate indication of the amounts involved. You will recall that at an early meeting of this committee it was agreed that it would not be wise to make public our five-year forecast because it contained possible projects, which had not been approved, for many of the communities of Canada and that it might raise false hopes, disappoint some and perhaps create more problems than is advisable at this time. I could give you a general idea.

Mr. SMITH (*Calgary South*): You could give us a general idea without identifying these individual places—and I can appreciate your problems with your five-year project of cost, both capital and operating, which includes all totals for the five-year period—so that we can get some idea of the total costs of the corporation in the next five years.

Mr. OUIMET: Yes.

Mr. FISHER: I do not think we will have time to listen to an explanation of this. I wonder if it could be tabled, Mr. Chairman?

The CHAIRMAN: Is it agreed that these documents be tabled and studied by the committee?

I think it is time to adjourn. We will meet tomorrow at 9.30. Could we go on with the international service, coverage and northern development? We will get it over as quickly as possible and get on to programming.

Mr. FISHER: Coverage is very important.

The CHAIRMAN: I know. You can get in touch with Mr. Simpson.

Mr. MCCLEAVE: I have some kind words to say for Mushaboom.

Mr. OUIMET: Mr. Chairman, are you still hoping to be able to stick to your schedule—tomorrow the C.B.C. and after that the B.B.G.?

The CHAIRMAN: I hope so.

Mr. OUIMET: In that case we will have all our various specialists here to deal with any questions that are asked.

Mr. SMITH (*Calgary South*): I hope the Committee will have an opportunity to question Mr. Ouimet on the material he is now giving us.

## APPENDIX "A"

## THE NATIONAL BROADCASTING SERVICE—METHOD OF FINANCING

The Committee has requested an opinion from the Corporation on the financing of the national television and radio services.

Three basic factors should be stated immediately:

1. Parliament determines the scope of the Corporation's national broadcasting services.
2. It is the responsibility of the Corporation to advise Parliament as to the nature and extent of broadcasting services which can reasonably be expected in return for specified levels of revenue.
3. The Corporation can adapt its operations to any method of financing approved by Parliament, it being understood the method chosen will in part govern the degree of CBC efficiency in operations, planning and administration.

Whatever the method of financing there appear to be certain essential requirements:

- (a) Continued payment for national broadcasting services in terms of public funds, to a degree consistent with the needs of the public, the nation, and the economic resources of the country.
- (b) The retention of adequate measures for overall Parliamentary control.
- (c) The maintenance of maximum efficiency in CBC planning and operations.
- (d) The continued independence of the Corporation, as well as the appearance of independence, from the government of the day.

The Corporation derives its revenues from two sources: public funds and advertising sales. In order to provide the kind and degree of services approved by past Parliaments it is necessary for the Corporation to obtain the bulk of its revenues in public funds. Future needs indicate that approximately three-quarters of its net income will be required from that source.

(Note: "Net" means exclusive of payments to private stations, advertising agencies and U.S. networks.)

Since 1936 the Corporation's operating needs in public funds have been met in a variety of ways: licence fees, a combination of licence fees and statutory grant, sales tax on sets and parts, and annual grants.

Each has had its drawbacks. The licence fee was unpopular with the public; the sales tax more than met the Corporation's needs in the first stages of television but proved highly inadequate when a certain point had been reached in television development.

The annual grants system has in no way interfered with the general aims of the Corporation but it has added another degree of complexity to the service without improving Parliamentary control. It is a very real efficiency factor in that it does not permit the most efficient administration of the Corporation. This is due to the processes which must be followed in working under this system of short-term financing.

While the Corporation has saved money on its operations over the past two years, and has returned these savings to the public treasury, the annual grants system in itself provides no incentive for saving. Any savings achieved on operations can not be ear-marked for improvements in service, coverage or other normal developments but must be returned at the end of each year to the treasury.



Under this system of short-term financing it is difficult for the Corporation to either conduct its day-to-day operations or its long-range planning with either maximum efficiency or certainty. In addition, the system can result in expressions of doubt being expressed re the Corporation's independence. It has been accepted over the years that independence, as well as the appearance of independence, is a cardinal requirement of the national broadcasting service.

The Corporation does not in any way seek to escape the control of Parliament to which it is directly responsible. However, it does suggest there might be considerable merit in a system of financing which would

- (a) Retain necessary Parliamentary control,
- (b) Enable the Corporation to engage in more efficient planning of its operations within financial limits fixed by Parliament, and
- (c) Provide public funds under statutory requirements rather than annual grants, thus avoiding any possible appearance of interference with the independence of the national service.

If the Corporation correctly assesses the feeling of the Committee there is some concern over the fact that legislation appears to provide no limit on possible expenditures; that this situation should be remedied, and an attempt made to tie future expenditures of the national service to the growth and the economy of the country.

The Corporation has a specific suggestion for consideration by the Committee. It is based on the fact that broadcasting basically serves the individual. Consequently, the Corporation believes there is merit in any idea which relates the cost of the service to the population, thus providing a clear and unmistakable yardstick by which the national service can be readily assessed in relation to its cost.

The Corporation suggests consideration of the following financial formula to be adopted by statute for a five-year period:

In public revenues, the Corporation to receive \$4.00 per capita the first year, this amount to increase five percent per year. In commercial revenues, the Corporation to secure annually a net amount approximating one-third of the public revenues. All revenues to be in terms of 1961 dollars.

This formula would yield public revenues sufficient to cover normal development of the national services in a manner directly related to the number of people to be served.

It would thus have a definite relationship to the growth of the country.

The formula is expressed in terms of 1961 dollars as a means of providing against any inflation or deflation which may occur within the economy.

The adoption of such a formula would call for a major study of national service financing every five years, thus providing a detailed check on the relation of costs to the economy of the country.

Five-year projections of the national economy do not appear unreasonable. If, due to unusual and unforeseen circumstances, conditions should change drastically and unexpectedly during such a five-year period, Parliament is sovereign and could make the necessary adjustments.

The Corporation does not suggest that Parliament should have a look at the operations of the Corporation only once in every five years. The annual operations of the Corporation would be subject to the normal reviews and examination by Parliament as in the past. This would include the submission of capital expenditures, Parliamentary Committees as well as the debates and questions which are raised in the House from time to time.

The starting figure of \$4.00 per capita contained in the suggested formula is based on the long experience of the Corporation in assessing and estimating the costs of the national service. It is related to our past costs and we believe it provides a realistic estimate for the future.

(The actual yield of the formula in terms of dollars is shown in an attached Table.)

The formula has an additional advantage in that it would allow Parliament and Treasury Board, for example, to accurately assess our capital requirements through measuring them against the known degree of operations over a number of years.

Another factor is that it is based on population and is thus tied to perhaps the most predictable factor in our economy. There have been intermittent suggestions from various sources, although not by the Corporation, that the national service be given a ten-year charter as in the case of the BBC.

The Corporation feels that an arrangement of maximum stability extending over a more limited five-year period might better meet Canadian conditions. Our broadcasting system is still undergoing changes and a major review of the national service in five years might better serve Parliament's needs.

In examining the CBC estimate of \$4.00 per capita as a basis for the formula, the Committee will wish to have some indication of the past success or otherwise of the Corporation in forecasting financial needs of the national service.

The Corporation would refer the Committee to its early estimates on costs made prior to the start of television in Canada. At that time the Corporation forecast that it could provide service to 75 per cent of the population at a cost in public funds of about \$15. per TV home.

In 1957 this is what the Royal Commission on Broadcasting (The Fowler Commission) had to say of that forecast:

"The CBC's early estimate of \$15. per television home per year has, in fact, come very close to the sums required for operating the national television service."

In other words the forecast stood up. We have improved on it in the last few years through making service available to over 90 per cent of the homes at a cost under \$15. per home.

Consequently, the Corporation has every reason to feel that its suggested five-year formula will also stand the test of time. It should, however, be pointed out here that the costs of color television are not included. If during the five-year period, it was decided to go ahead with color a supplementary amount would be required.

Further to the Fowler Commission report it is also interesting to note, on page 256, the following sentence:

"...the greatest financial weakness of the CBC has been the lack of an assured and definite basis of current financing."

The Fowler Commission recommended that financing of the CBC should be carried out through a statutory formula. Its 1957 report contained three suggestions:

1. A statutory grant of five stipulated annual sums which would be adjusted upwards or downwards in relation to the inflation or deflation of the base year dollar.
2. A statutory grant starting with a fixed annual payment and which would increase at a fixed percentage rate annually (11.3 per cent) based on the preceding year's payment.
3. A statutory grant based on actual percentage of the total Personal Expenditure on Consumer Goods and Services. (Over the five year period suggested the percentage ranged progressively from .26998 to .33941.)

The Commission preferred its third suggestion.



The Corporation has studied each of these suggestions and, like the Commission, feels that each has its own advantages and disadvantages. In the formula it has suggested, the Corporation feels it has developed a clear approach which has the added advantage of being readily understood by the public.

It is a formula which has fixed limits as to the amount to be spent, as well as to the time it is to be in effect. It advises Parliament precisely where the national service is going in a financial sense for a specific period, and at the same time in no way prohibits annual review by Parliament of the achievements of the Corporation.

### RATE OF DEVELOPMENT

The Corporation believes that the time factor is now right for the establishment of a system whereby the public cost of the national service is known for up to five years in advance.

It may have been difficult for Parliament to establish such a system at a time when television was undergoing explosive growth.

The Corporation has already advised the Committee that this stage has passed and that the national service has now fully entered a period of consolidation and gradual development.

The Corporation feels that its current broadcast services are minimum in nature in relation to the needs of the nation.

In our view there are many things yet to be done. There are scores of communities and areas where Canadians are without television service and there are many others where radio service is still inadequate or even non-existent. There is also color television and the future development of radio in the areas of FM and stereo broadcasting.

In television, the Corporation has made no effort to move its broadcast day back into the morning hours on a regular basis. There are many program areas such as farms, schools and other program needs yet to be developed properly.

Apart from the question of still rising basic costs, there is the continuing and general problem of keeping pace with the overall development of the broadcast media in their programming as well as their technical aspects.

All of these things are desirable but the Corporation has felt that the country could not yet afford them and so has not requested funds for these purposes. However, we feel that these and other developments can take place gradually over the years ahead in relation to the resources which the country can make available to the national service.

The Corporation believes the formula it has suggested would yield sufficient funds over a period of time so that most of these developments could take place progressively, subject always to continuing review by Parliament. Ottawa, June 1st, 1961.

### CANADIAN BROADCASTING CORPORATION FORECAST OPERATING COSTS AND REVENUES YEARS 1962/63 TO 1966/67 INC. ( '000 OMITTED)

	*Expenditures	Public Revenue	*Net Commercial Revenue
1962/63 .....	100,300	75,200	25,100
1963/64 .....	107,500	80,600	26,900
1964/65 .....	115,200	86,400	28,800
1965/66 .....	124,100	93,100	31,000
1966/67 .....	132,800	99,600	33,200

\*Excluding payments to Private Stations, Agencies and U.S. Networks.



## APPENDIX "B"

June 1, 1961

CANADIAN BROADCASTING CORPORATION  
5 YEAR PROJECTION OF PROPOSED EXPENDITURES  
1961/62 THROUGH 1965/66

(in thousands of dollars)

	1961/62	1962/63	1963/64	1964/65	1965/66	Total
Consolidation .....	2,025	5,250	12,559	17,818	8,908	46,560
Improvements to Coverage .....						
Television .....	1,907	2,717	2,079	1,722	1,500	9,925
Radio .....	417	1,896	455	502	100	3,370
Northern Services .....	162	128	87	96	2,540	3,013
Completion of Approved Projects .....	3,267	1,113	—	—	—	4,380
Miscellaneous New Capital Projects .....	612	1,449	1,204	938	955	5,158
Allowance related to New Capital Projects in later years of plan which cannot specifically be anticipated .....	—	752	866	957	1,000	3,575
Ordinary Capital and Improvements to Properties .....	1,250	1,000	1,000	900	750	4,900
TOTAL .....	9,640	14,305	18,250	22,933	15,753	80,881

NOTE: An amount of \$30,625,000 will be required subsequent to March 31, 1966 to complete projects then in progress.

Engineering and Operations.

June 1, 1961

CANADIAN BROADCASTING CORPORATION

CONSOLIDATION OF SERVICES

(in thousands of dollars)

	1961/62	1962/63	1963/64	1964/65	1965/66	Sub Total	Future Years	Total
Montreal .....	125	500	1,000	3,000	5,000	9,625	25,450	35,075
Toronto .....	975	3,000	11,559	14,818	3,908	34,260	1,536	35,796
Ottawa and Head Office Building .....	900	1,750	—	—	—	2,650	—	2,650
Preliminary Planning, other locations .....	25	—	—	—	—	25	—	25
TOTAL .....	2,025	5,250	12,559	17,818	8,908	46,560	26,986	73,546

Engineering and Operations.

THE FOLLOWING IS AN ENGLISH TRANSLATION OF THE  
DELIBERATIONS CARRIED ON IN FRENCH ON THIS DATE

(Page 782)

Mr. TREMBLAY: Mr. Dunsmore, the Auditor General, Mr. Henderson, has noted that there is in the CBC an absence of control on the inventory and property of the Corporation, particularly with regard to certain items of current use. Could you offer any comments on the observations made by Mr. Henderson?

\* \* \* \* \*

Mr. TREMBLAY: Do you believe there is any foundation for the critical remarks made in that regard by Mr. Henderson?

\* \* \* \* \*

Mr. TREMBLAY: Mr. Dunsmore, could you make any comment on the final recommendations made by Mr. Henderson concerning a review of the finances of the CBC—on the two major recommendations which he made?

\* \* \* \* \*

Mr. TREMBLAY: Those are the two recommendations which appear at the end of Mr. Henderson's report as tabled in the report of the Committee on page 751.

\* \* \* \* \*

Mr. TREMBLAY: If I understand correctly, Mr. Dunsmore, you say that steps have already been taken to apply in part the recommendations of the Auditor General, Mr. Henderson.

\* \* \* \* \*

Mr. TREMBLAY: One last question, Mr. Chairman. Does that imply that Mr. Henderson was right in urging the final changes he made in that regard, the specific recommendations he made in his report?

\* \* \* \* \*

Mr. TREMBLAY: Does not the fact that the Canadian Broadcasting Corporation has already adopted after a fashion and within certain limits the suggestions of the Auditor General, Mr. Henderson, indicate that Mr. Henderson was right when he made specific suggestions to the C.B.C. a few months ago concerning the control of its finances and administration?

(Page 787)

Mr. TREMBLAY: Mr. Chairman, with your permission I shall come back to the crucial point of the inquiry, the specific reason why Mr. Dunsmore is here before us. I understand that the advisability of entrusting the examination of the Corporation's finances to an independent body is debatable in view of the circumstances. But what I should like to know is this: do you not think, in view of the fairly numerous irregularities which the Auditor General, Mr. Henderson, pointed out, that recommendation he made to the Committee, to the effect that the Corporation's finances or administration be examined by an independent body, is relevant?

(Page 788)

Mr. TREMBLAY: I think there is a rather wide divergence of views between Mr. Dunsmore and me. I do think that if we can read between the lines we will find that the Auditor General's report points to a fairly large number of irregularities. I think that although Mr. Henderson has not chosen to express in

an aggressive manner the criticisms he wished to level at the CBC, it is nevertheless easy to see that irregularities exist and that they are sufficiently important to cause concern to the members of Parliament, who, in the final analysis, are responsible for the use made of public funds.

\* \* \* \* \*

Mr. TREMBLAY: Mr. Chairman, I really did not think that Mr. Dunsmore could ask me a question like that. I would ask him, if he really wants to have the details about the matter, to read for himself the report presented by Mr. Henderson, particularly the observations about the inventories which leave me completely puzzled. On the other hand, the explanations that were furnished in connection with the rental of films are not satisfactory. As a member of Parliament, I again ask the question: do you think Mr. Henderson's observations are justified? Yes or no?



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 28

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THURSDAY, JUNE 8, 1961

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WITNESSES:

Mr. Alphonse Ouimet, President, Canadian Broadcasting Corporation, and  
Captain W. E. S. Briggs, Messrs. Marcel Carter, E. S. Hallman, J. P.  
Gilmore, W. G. Richardson, O. J. W. Shugg and W. R. Johnston.

ROGER DUHAMEL, F.R.S.C.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

THURSDAY, June 8, 1961.

(34)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Danforth, Fairfield, Fisher, Horner (*Acadia*), Macdonnell (*Greenwood*), McCleave, McGrath, Pickersgill, Pratt, Robichaud, Smith (*Calgary South*), Tremblay, Webb.—(15).

*In attendance: From the Canadian Broadcasting Corporation:* Mr. Alphonse Ouimet, President; Captain W. E. S. Briggs, Vice-President; Mr. M. Carter, Vice-President, Administration; Mr. E. S. Hallman, Vice-President, Programming; Mr. R. C. Fraser, Vice-President, Corporate Affairs; Mr. J. P. Gilmore, Vice-President, Engineering and Operations; Mr. V. F. Davies, Comptroller; Mr. Marcel Ouimet, General Manager, Network Broadcasting (French); Mr. H. G. Walker, General Manager, Network Broadcasting (English); Mr. A. H. M. Laidlaw, General Counsel, Mr. W. G. Richardson, Director of Engineering, Mr. O. J. W. Shugg, Director of Sales and Planning; and Mr. W. R. Johnston, Coordinator of Sales Policy.

The Committee resumed from the preceding day its adjourned study of the affairs of the Canadian Broadcasting Corporation.

The Chairman informed the Committee that returns were being tabled by the Canadian Broadcasting Corporation as follows:

1. For Mr. Smith, May 9, a breakdown of program costs shown in Statement of Operations in the Annual Report for 1959-60. (*See Appendix "A" hereto*).
2. For Mr. Horner, May 16, a breakdown of the major categories of commercial revenue. (*See Appendix "B" hereto*).
3. For Mr. Fisher, May 16 and Mr. Régier, May 23, operating costs of radio and television services in English and French languages. (*See Appendix "C" hereto*).
4. For Mr. Chown, May 18, a history of Parliamentary loans and repayments for capital purposes. (*See Appendix "D" hereto*).

Copies of these were distributed around. However, at the suggestion, later, of Mr. Smith (*Calgary South*), it was agreed that they be appended to the printed record of today's Minutes of Proceedings and Evidence as hereinabove indicated.

The examination of Mr. Alphonse Ouimet was continued. At the outset the witness gave oral answers to questions directed to him in the course of preceding sittings.

During the interrogation Mr. Ouimet was assisted by Messrs. Carter, Gilmore and Richardson.



A set of maps prepared by the CBC Engineering Division, Montreal, (Transmission and Development) showing:

- (a) Trans-Canada Network Sound Broadcasting Stations and Dominion Network Sound Broadcasting Stations,
- (b) French Network Sound Broadcasting Stations,
- (c) Television Broadcasting Stations—English Network,
- (d) Television Broadcasting Stations—French Network,

were displayed in the Committee room and reduced format copies of the said maps were distributed to each member of the Committee, as Messrs. Alphonse Ouimet, Gilmore and Richardson commented and were questioned thereon.

At 11.00 o'clock a.m., the examination of witnesses still continuing, the Committee took recess, after having agreed unanimously to resume earlier, at 2.30 o'clock instead of 3.00 o'clock p.m.

### AFTERNOON SITTING

(35)

The Committee resumed at 2.45 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, Messrs. Creaghan, Danforth, Fairfield, Fisher, Keays, Macdonnell (*Greenwood*), McCleave, McGrath, Pratt, Robichaud, Simpson, Smith (*Calgary South*), Tremblay, Webb.—(16).

*In attendance:* The Canadian Broadcasting Corporation's officials as are shown in attendance in the forenoon.

Mr. Alphonse Ouimet's examination was continued and he first tabled the following returns:

1. For Mr. Chown, May 18, the number of original CBC television productions broken down according to (a) point of origination and (b) category of cost. (*See Appendix "E" hereto*).
2. For Mr. Simpson, May 18, annual basic TV network costs by province. (*See Appendix "F" hereto*).
3. For Mr. Chown, May 25, breakdown of production costs of Don Messer's Jubilee" to shown principal categories of expense. (*See Appendix "G" hereto*).
4. For Mr. Fortin, May 25, breakdown of production costs of "Au Petit Café" to show principal categories of expense. (*See Appendix "H" hereto*).
5. For Mr. Chown, May 30, rates paid to network television performers in the United States. (Rates paid to Canadian performers were tabled previously). This return does not include rates paid to musicians in the U.S. since the Corporation did not have this information available. However, these are known to be higher than the rates paid to musicians in Canada. (*See Appendix "I" hereto*).

Copies of the said returns were distributed around. However, it was agreed that they be appended to the printed record of today's Minutes of Proceedings and Evidence.

The witness gave oral answers to other questions also asked at preceding meetings.

Mr. Alphonse Ouimet was assisted in the course of the interrogation by Captain Briggs and Messrs. Gilmore, Hallman, Johnston and Shugg who were called on to elaborate on some of the questions directed to the main witness.

The Committee having concluded the examination of the Canadian Broadcasting Corporation's officials, the Chairman announced that the Steering Committee would study the advisability of holding a special sitting next week, with Canadian Broadcasting Corporation's officials again in attendance, to deal with the question of formula set out in the documents filed on Wednesday, June 7, and appearing as Appendix "A" and "B" to the Minutes of Proceedings and Evidence (No. 27) for that day. Further, the Committee would proceed on Tuesday, June 13, with hearing again the Board of Broadcast Governors.

Mr. Smith (*Calgary South*) moved, seconded by Mr. McGrath, a vote of thanks to Mr. Alphonse Ouimet, and his colleagues, for their valuable contribution to the work of the Committee, in which motion the Chairman and all present readily agreed.

At 5.00 o'clock p.m. the Committee adjourned to meet again at 9.30 a.m. Tuesday, June 13.

Antoine Chassé,  
*Clerk of the Committee.*





## EVIDENCE

THURSDAY, June 8, 1961.  
9.30 a.m.

The CHAIRMAN: A late good morning to you all. I have some reports which already have been distributed: for Mr. Smith, a breakdown of program costs shown in the statement of operations in the annual report for 1959-60; for Mr. Horner, May 16, a breakdown of the major categories of commercial revenue; for Mr. Fisher, May 16, and Mr. Régnier, May 23, operating costs of radio and television services in English and French; for Mr. Chown, May 18, a history of parliamentary loans and repayments for capital purposes.

The other day, to a certain extent at least, we had finished financial operations. Mr. Ouimet has several answers which he can give you in short order.

Mr. PICKERSGILL: Mr. Chairman, before Mr. Ouimet does so, may I put a question, to which a brief answer may be given? In the committee on privileges and elections last year it was recommended, I think unanimously, that an effort should be made at once to have the program, *The Nation's Business* shown on the same day in all parts of Canada. It is still not being shown on the same day. I wonder if anything can be done to carry out the wishes parliament seems to have expressed in this regard?

Mr. J. A. OUMET (*President of the Canadian Broadcasting Corporation*): I am pleased to report that something is being done. Next fall we expect that the local station affiliates will carry the program from 6.00 to 6.15, all at the same time, and that the C.B.C. stations will be carrying it between 7.45 and 8.00 the same day. We are making an effort to include this program in our reserved time period so that it will be at exactly the same time across the board. This has not been achieved yet, but I think what I have reported goes a long way towards meeting the desire expressed.

Mr. PICKERSGILL: Thank you.

Mr. OUMET: There was a question asked by Mr. McCleave on May 30. You will recall we were discussing recommendations made by committees or royal commissions which the corporation had not found possible to implement. We had given you examples from the 1959 committee. Then he asked again for two or three more examples of the same kind.

We have had some of our people look through the record. We have found that we have been pretty good in implementing recommendations, because although we can find a number of recommendations to which effect was not given, it was the responsibility of the government and not the C.B.C.

The Massey report recommended that the C.B.C., as soon as funds were available, proceed with the organization of the second French network. This was also the recommendation of the 1951 parliamentary committee. Instead of providing Quebec with a second French network, after a good deal of consideration we decided it would be more in the national interest, and also serve the needs of the French speaking population better, if we extended it on the network we had; so that at that time we extended the French network to Edmonton and now it is extended to the south of Nova Scotia. That is the only one my people were able to find as an example of a definite recommendation which was not carried out.

There is another question which was asked by Mr. Chown and which I can answer very briefly. He asked for the number of married couples on the staff of the C.B.C., and the answer is that there are 25.

Mr. SMITH (*Calgary South*): May I ask, with respect to the first reply you gave, does this mean that in effect you are saying the only recommendation which was not carried out was in regard to the French network? Is that correct?

Mr. OUIMET: And the other two I mentioned two or three days ago. Mind you, this was a quick survey of a lot of record and I do not want to be tied down as to the absolute accuracy of the answer.

Mr. SMITH (*Calgary South*): And you would accept the fact that the corporation paid only lip service, or at least did not enact completely certain recommendations I mean the corporation only put them into effect to some degree.

Mr. OUIMET: I think there was some recommendations which could be put into effect only to a certain extent.

The CHAIRMAN: Are there any further questions on finance?

Mr. McGRATH: Will there be another item on our agenda on which we can ask questions regarding the dominion network?

The CHAIRMAN: That was gone into yesterday.

Mr. McGRATH: But not extensively enough in my opinion. There are a few questions I should like to ask on the dominion network.

The CHAIRMAN: Perhaps you could wait until we get down to international service and coverage. The questions could be asked on coverage.

Mr. FISHER: In regard to the document submitted yesterday dealing with finance and the method of financing, I wonder could we permit this to stand for a meeting or two before we question the C.B.C. on it. I put this forward because I should like to talk on it in relation to previous recommendations by committees and by the Fowler commission. I could not speak on it last night and, I ask, do other members of the committee share my view?

Mr. SMITH (*Calgary South*): I should like to say I agree with Mr. Fisher. As Mr. Fisher points out, this is a very important document and I believe the committee should be given an opportunity of giving it very serious consideration.

The CHAIRMAN: That is the document dealing with the formula.

Mr. HORNER (*Acadia*): May I ask how many more meetings are scheduled for C.B.C. attendance before we end?

The CHAIRMAN: That will remain for the steering committee to decide. Perhaps we could have a special meeting next week between meetings with the B.B.G.

Mr. HORNER (*Acadia*): All right.

The CHAIRMAN: Will that be agreeable?

Mr. SMITH (*Calgary South*): Are we not sitting this afternoon?

The CHAIRMAN: We will, if we can get a quorum.

Mr. OUIMET: So far as the corporation is concerned, we are ready to answer the questions on this at any time.

Mr. FISHER: Is it agreeable to other members of the committee that the matter be postponed to a later meeting until we all have time to consider it?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: It will be postponed and we shall have a later meeting. Our next item is the international service.



Mr. FISHER: Is Mr. Ouimet going to make a statement?

The CHAIRMAN: I believe he is going to make a short statement.

Mr. OUMET: It is going to be very, very short because I know time is at a premium. I do not think there is much to say at this time about the international service, except that recently a reduction in the service was agreed to and is taking effect at the moment. We have reduced our service and have actually eliminated our direct short wave service to the Scandinavian countries and to Italy.

On the other hand we have increased our service to Africa and we are also changing the emphasis from short wave transmission to the use of transcriptions which are re-broadcast in the national service of the country we want to reach. When I say we are changing the emphasis I mean that something like ten years ago all the broadcasting was done on short wave but to-day a great deal is done by means of transcriptions.

Another important point which I should bring to the notice of the committee is that we are using the short wave facilities at Sackville to cover the Canadian north during the evenings. To do this it has been necessary to re-arrange our transmission from Sackville and this has affected some of our transmissions to South America. On the other hand I do not think the effect was too serious in terms of service to those countries, and through the change we have obtained service to the whole of the northern area of Canada, I believe from something like 6.30 p.m. until late at night because of the difference in time zones, so that we are getting about eight to ten hours a day service to the north. I think these are the important points to bring to the attention of the committee.

Mr. FISHER: Was the reduction in service created by these changing concepts of needs or was there a more basic requirement?

Mr. OUMET: I think that the changes in service were brought about by the constant and continuing revision of all our activities, in particular revision of the international service. As you know, the international service is operated by the corporation as an agent for the government. We have not got the same status in the case of the international service as we have in the case of the national service, and the policy of the international service is determined in very, very close cooperation with the Department of External Affairs. There is a committee consisting of officials of the civil service, including the Department of External Affairs, the Department of Trade and Commerce and officials of the C.B.C. which meets regularly every year to review the activities of the service. That committee suggested we try to reduce the expense of the service as it felt some of the things we were doing, like providing coverage to Scandinavian countries, were not absolutely essential in terms of the overall international picture. As a result of that the treasury board allotted funds this year which were somewhat less than last year, and we have given effect to that in terms of our coverage.

Mr. FISHER: How big an impact has the international service had? Has it had a decreasing impact as people in other countries shift to other media?

Mr. OUMET: I must again say we are only the agents of the government in this case, but nevertheless we are the broadcasters, the professionals in that field, and we believe very strongly that the international service is a very important service and that while at certain times there might be readjustments indicated in the nature of the service, nevertheless it must be kept as an instrument of international communication which may become very important and essential should the international situation deteriorate.

Mr. FISHER: Were any of these changes or revisions in service occasioned by any changing pattern in the Voice of America?



Mr. OUIMET: No. I do not believe that is the case. I wish Mr. Delafield were here to answer in more detail than I can, but I do not believe this was the case.

Miss AITKEN: I am wondering what influenced your decision to cut down on the Italian broadcasts. As there are so many Italians coming over here I would have thought that would be a particularly popular service.

Mr. OUIMET: It is always strange that before you cut down on a service you do not hear very much about it, but once you cut it out or cut it down you find out there are quite a number of people who are depending on it. In this particular case we had quite a number of representations regarding the advisability of continuing the service. On the other hand, the approach taken by the officials who considered this—and they were not only C.B.C. officials—was that there was an order of priority in the various international short wave transmissions which we had, and that some of the transmissions to neutral or friendly countries were not as important as some of the others.

The CHAIRMAN: Have you finished, Miss Aitken?

Miss AITKEN: Yes.

Mr. SMITH (*Calgary South*): Could you just explain to us the actual relationship between your control of the international service and your control of the domestic service? You have indicated that this committee composed of departmental officials and C.B.C. representatives makes decisions in regard to the international service and I should like to know, do such decisions then go forward to the C.B.C. board?

Mr. OUIMET: Yes. So far as the corporation is concerned, internally we have the same arrangements as for the national service. Anything that is done is subject to C.B.C. board of approval and consideration; but, while in the national service our broadcast policy is determined by the corporation within the very broad framework of the country's policy on broadcasting, in the case of the international service it is necessary for obvious reasons to coordinate our activities much more closely to the policy of Canada in respect to international affairs.

Mr. SMITH (*Calgary South*): I can certainly agree with the necessity for coordination but I find it a little hard to understand the operation of authority and control because you have indicated to the committee what you felt your mandate was and referred to the decisions of parliamentary committees, royal commissions, and so on. That is to say, you make a request for funds to parliament, parliament passes them and this is your mandate. Does that apply to the international service also?

Mr. OUIMET: Not in the same way, because when the Broadcasting Act was passed in 1936 it covered only the national service.

Mr. SMITH (*Calgary South*): I see.

Mr. OUIMET: As a matter of fact, I do not think there is any mention in the 1958 Broadcasting Act of the international service. We were simply asked in 1944 to operate the international service on behalf of the government, and we have considered ourselves as agents in that case. It is a separate vote and we will accept instructions from the government in the case of the international service while, in the case of the national service, of course as you know we are an independent corporation.

Mr. SMITH (*Calgary South*): You do not consider the international service as part of your mandate?

Mr. OUIMET: Well, it has become a supplement or an addition to our mandate. On the other hand, it is not in the same category or of the same nature as the national service.

Mr. PICKERSGILL: I should like to put a question supplementary to those asked by Mr. Smith, and then I should like to put a question of my own. Is it not correct to say that the international service is an aspect of the foreign policy of the government of the day, and with that understanding and on that basis it was established in 1944, and that is the reason why there is this close liaison with the Department of External Affairs? Is not that the reason why, as the president says, direction by the government has always been accepted? In other words, the international service is not supposed to be an independent service in the sense that the national service is. I am asking this.

Mr. OUIMET: That is correct.

Mr. MCGRATH: Are you sure you are asking?

Mr. PICKERSGILL: I just want to be reassured about what I know is the case. The second question I wish to ask is independent of Mr. Smith's questions. I believe the reorganization or rearrangement of the international service involved the displacement of certain employees of relatively long standing. In fact, I know this and I know the corporation is making an effort to find alternative employment for these employees. Could we have a report on that situation?

Mr. OUIMET: It did require the displacement of employees and we made a very considerable effort to have this displacement carried out in the best way possible. I would ask Mr. Carter, who is dealing with this directly, to give you the details of the progress we have made in this respect.

Mr. M. CARTER (*Vice President Administration, Canadian Broadcasting Corporation*): Mr. Chairman, there were 21 employees involved. They were given three months notice that a change would take place and we informed them at that time we would make efforts to try and transfer them to other positions within the corporation. We enlisted the support of the union. We discussed the matter with the union concerned and they cooperated with us in facilitating the transfers. The net result was that 14 employees were transferred to other positions within the corporation, two were separated on retirement, having attained the age of 65 years, three secured employment elsewhere and two were separated after they refused alternative employment in the corporation.

Mr. OUIMET: I might add to what Mr. Carter has said that while we think this has been successfully carried out we did not create any positions for the purpose of absorbing the international service employees affected. In a large organization such as ours people leave and vacancies are occurring continually and we have tried to give first preference to the displaced employees.

Mr. MACDONNELL: My question has really been answered. What I was concerned with was the point raised by Mr. Fisher and others as to whether, in the case of the international service, the C.B.C. was really under the authority of the Department of External Affairs. I suppose in these troubled days one has a kind of feeling we ought to be communicating rather freely externally, but I do not think there is any point in my discussing it further. I take it the C.B.C. is acting on instructions in this matter?

Mr. OUIMET: Mr. Macdonnell, I think this is a very important point, I want to be sure it is not misunderstood. The corporation has the preliminary responsibility to provide a well balanced international service. What it does, however, must fit in with the established policy of the government and parliament in terms of its relations with the various countries. We could not possibly go on our own entirely and therefore come in conflict. Furthermore, when it comes to such things as the allocation of funds for particular services—for instance should we carry on with service to one country or should we drop that service in order to establish a better service somewhere else—that kind



of decision is made not by the C.B.C. alone, as it would be very much in the case of our national service. This is done in cooperation with a great number of people and is finally decided at a fairly high level in the government.

Mr. SMITH (*Calgary-South*): I am trying to establish whether you act on instructions from this committee or on advice; but I gather it is really instruction.

Mr. OUMET: The way it works is there is a recommendation made by the committee. In this particular case, after a great deal of discussion with different people, the Department of External Affairs and the C.B.C. were asked to develop joint recommendations. These joint recommendations were made to the treasury board and approved. Therefore, it was our joint recommendation.

Mr. MACDONNELL: I will not ask who was the most influential.

Mr. DANFORTH: I am interested in the mechanics you have explained. If I understood you correctly, you stated the trend is away from shortwave broadcasts and into the field of transcription for rebroadcast in the country concerned. I can understand how shortwave could be broadcast into a foreign country; but what arrangements do you have for getting these transcriptions into the country concerned. Is there a reciprocal arrangement? What are the mechanics?

Mr. OUMET: In certain cases there may be reciprocal arrangements, but in most cases it is unilateral in the sense that we provide much more material to certain countries than we take from them; in certain cases we take none. For example in the case of some of the countries of Africa, we take very little from them, while on the other hand they may take quite a bit from us. I think, in respect to many of the smaller countries, it is an advantage to have material provided to them in this way; at the same time, it is an advantage to us as it makes it possible for us to tell those countries about Canadian life.

Mr. DANFORTH: Is the demand in these countries actually great? Is there an outstanding demand for transcriptions of this type?

Mr. OUMET: I probably have the list of usage of our transcription service somewhere, but I think it would take some time for me to locate it. I think however, I can say that the demand in total is an impressive one.

Mr. DANFORTH: So, in effect, it is easy in the main for us to get these transcriptions into the countries concerned?

Mr. OUMET: I am not talking about iron curtain countries, of course.

Mr. DANFORTH: I appreciate that.

Mr. OUMET: Yes; it is not too difficult. There seems to be an increasing interest in international exchanges; this is a new phenomenon.

Mr. FISHER: This relates strictly to radio. What is the future of television so far as international service is concerned?

Mr. OUMET: We feel that if Canada is going to keep its position in this field, it should do more in television than it does now. However, we are already doing something. In this particular case it does not always go through the international service. We have direct exchanges, of course, with national broadcasting organizations such as the B.B.G., R.T.F., or Italian Radio and Television, and many other national organizations. In addition, the international service does take some of our programs and makes sure that the language is dubbed in to suit the needs of some countries where we want to exchange or provide some service; but it is not on a large scale; it is on a very modest scale.

Mr. FISHER: Europe has been pretty well linked up with regard to television, at least, for special performances and special occasions. It would be a tremendous thing if we could gradually fit into this pattern. For example, there is one projected link, I understand, across the Atlantic through Iceland and



Greenland. Where would the C.B.C.'s international service stand on that? Do you foresee the day when, in providing this kind of programming, it will be done by the international service?

Mr. OUMET: I think this is a decision yet to be taken. We are very conscious of the need for some co-ordination between the international service activities and the national service activities. When international television comes into more current use than it is now, we will have to decide whether it will be in the form of exchanges between national services, or whether it will be in the form of exchanges between our international service and somebody else's international service. I think television will introduce a new element into this situation.

The CHAIRMAN: Have we finished with international services?

Miss AITKEN: What kind of work is the international service doing in the countries behind the iron curtain?

Mr. OUMET: In the case of countries behind the iron curtain we are transmitting to them by shortwave. It has always been our policy over the years to try to make our programs as interesting as possible so that people will listen to them. The ideas contained in our programs are factual reports about what happens in Canada. We are trying to get the iron curtain countries to see what is going on in Canada. By giving them an accurate picture of our way of life here, we join with the other western countries in a general fight against communism.

Mr. MACDONNELL: Do you know the extent to which these programs are mechanically interfered with?

Mr. OUMET: I do not know as of today; but the last time this was discussed there was still some interference, but not all of the time. It varied; it seemed to vary with the international situation.

The CHAIRMAN: We will pass on to coverage, northern development. This will include any questions on the network.

Mr. FISHER: In many parts of the country there are people who are still worked up over the fact that they do not have television service. There are some doubts about the formula you are using. I have an example which might illustrate this. You have decided to put a satellite transmitter into Dryden and Sioux Lookout to serve a certain population there which has not had service. I am sure, however, that there are other members of parliament who could show you other parts of Canada which have as high a concentration of population. We find it difficult to understand the pattern.

Mr. OUMET: May we deal with this question of our so-called formula of coverage? After that I will turn to Mr. Gilmore and Mr. Richardson to deal with it in detail.

Our formula is a very, very simple one. It is this: in the development of television or of radio we have always felt that we should serve the greatest number of people for a given expenditure of money. So, our engineers study the gaps left in our radio and television service. They determine the number of people living in those areas. Then they figure out the cost of covering the area; then they divide the cost by the number of people and that yields a certain cost per head. Actually we use the cost per home, but the relationship is a simple one. Then we proceed with those areas which cost the least per home. That is a general statement. On the other hand, we have tried over the years to do it in such a way that not only one part of the country would be served. We have introduced a certain geographical element into this and a certain language element into our decision so that the stations would not all be French language stations or English language stations in one year, or all in British Columbia and none in the maritimes, for example.

Generally speaking, however, we are sticking pretty closely to this simple formula of serving first those areas where you can get the greatest number of homes per dollar spent. That is the formula. When a member of parliament looks at this he may find it difficult to understand for the good reason that he does not know how much it will cost. Perhaps a certain city of a given size may cost three or four times more money to serve than another city of the same size in another geographical location. Therefore it may be hard to understand why certain cities receive service first. Our engineers who are here can give you more information on this. They can actually tell you what has been done and will answer any questions about specific points.

Mr. J. J. GILMORE (*Vice-President, Engineering and Operations, Canadian Broadcasting Corporation*): Mr. Chairman, it would be our proposal to have our director of engineering review the complete coverage picture in Canada and then proceed to answer any questions. We have, supplementary to the large maps here, a set of reproductions for the members of the committee upon which you can follow the presentation. The colour code which has been used is exactly the same as that on the large map.

Mr. W. G. RICHARDSON (*Director of Engineering, Canadian Broadcasting Corporation*): This first map here is a combination of the day-time services provided by the TransCanada and Dominion networks. In other words, it is the English service that is provided to Canada by these networks. This is shown in red. The green area shown here is an estimate of the service provided by the shortwave transmitter at Sackville, New Brunswick, to the Northwest Territories and parts of the Yukon Territory.

The TransCanada network is made up of 19 C.B.C. stations, plus what we call low-power relay transmitters. As at the date of this map, there were 77 of these in operation across Canada, mostly in British Columbia and Northwestern Ontario. A total of 88 have been authorized, and two or three have gone into operation recently.

The Dominion network is made up of one C.B.C. station in Toronto, plus 49 privately owned stations. In other words, there are 182 transmitters actually on these two networks.

The coverage is shown in outline rather than by individual stations, because if we used individual stations, there would be a conglomeration of lines inside these. What we have done is give you an outline to show the extent of the coverage, except in individual cases where there is no overlap. The outer edge of the coloured area, whether green or red, does not mean that if you live a hair's breadth beyond that line that you do not get service. It is simply a standard we use in order to determine our calculation of interference and things of this nature. We have tried to show this as being a good daytime service if people live in an area which is relatively free of interference on the fringe here, or if they are not behind some range of mountains or something of that nature.

The green shaded area outlines the service to the north. This does not mean, by any stretch of the imagination, that if you lived in any particular place you would get the eight or ten hours' service every day, because as you know, a shortwave service is subject to what we call fading and is very much affected by the auroral zone which at times cuts as far south as Windsor. We figure that if we get a 50 or 60 per cent listening signal at any one place over a long period, we have done pretty well. The night-time coverage of these networks would be somewhat less if you consider areas. It would probably cut in something in the way I am indicating on this map. However, when you consider that many stations, in fact most of the stations on the network, are in



the center of a large population, the actual night-time population of homes served only reduces something like 8 or 10 per cent. It is the person in the outskirts who really suffers.

That is about all I have to say.

Mr. FISHER: This is radio?

Mr. RICHARDSON: Yes. The TransCanada and Dominion networks are both radio.

Mr. FISHER: Would you explain to me why a community such as Manitouwadge cannot get radio, and a community like Beardmore does? There is no relationship in terms of size.

Mr. RICHARDSON: The difficulty we have run into in connection with Manitouwadge is trying to get correct census figures. The figures put out in 1951 show Manitouwadge as being pretty small. We have not been able to determine accurately the present population. This is one of the places which will be, along with other places, completely reviewed as soon as we get the 1961 figures.

Mr. FISHER: In Beardmore there are maybe 150 houses at the most, and from personal experience I know that Manitouwadge is three times the size.

Mr. RICHARDSON: The network presently runs through Beardmore which makes the cost of the network service low. The network does not run through Manitouwadge. We would have to pay either the C.N.R. or the C.P.R. for a line into Manitouwadge. When you add that as an annual charge, it brings the cost up per home.

Mr. FISHER: I am sure it does; but it is only 27 miles in by C.N.R. and perhaps 30 miles by C.P.R. This is a community which has some of the richest mines in Canada. There are millions and millions of dollars invested in homes. In many ways this is one of the best communities in northern Ontario. It is difficult to understand why you would wait ten years for census figures.

Mr. OUMET: We try not to wait for ten years between censuses, but we do have a problem with regard to the official determination of the population in any one center. You can well realize we cannot depend on the local or provincial tourist office or any of these statistics which might be given by other than some official body like D.B.S. We cannot ourselves start to count the population within a given area. It would be costly for us to do this independently of D.B.S., and also I am not too sure that our count would be accepted as authentic. So, we have a problem here. In this particular case, if the census was not being taken this year, we would have had to try to do it some other way, or look at it in some other way. In this particular case, the census will be done very soon and all these problems will be solved in the sense that we will have official figures for each place. These figures will be up to date for a few more years. I agree that two, three, four or five years after the census our problem gets more difficult.

The CHAIRMAN: I wonder if it would be best to run through all the distribution of the radio networks and the television network?

Mr. PICKERSGILL: I think then you would have confusion. There may be only two or three questions about each. I have just one question I would like to ask about this. Has coverage as yet been secured for another very large mining area; that is, Thompson in northern Manitoba?

Mr. RICHARDSON: Yes. We have given very serious consideration to Thompson, which is up in this area here, on this map. The problem there is that the nearest center on the radio network now is Winnipeg. You would have several hundred miles of network to get in there, and it makes the cost prohibitive with the present population we are led to believe is in Thompson. This may not obtain if Thompson grows to be a large city.



Mr. HORNER (*Acadia*): Is Hinton on that map? Are you now broadcasting in Hinton, Alberta?

Mr. RICHARDSON: Hinton is on the air. I think it went on the air fairly recently—about six months ago.

The CHAIRMAN: Are there any further questions on this network? Would you like to carry on to the French network?

Mr. RICHARDSON: The next map is also radio. It shows in outline, the same as on the other map, the coverage achieved by our French network. This is made up of four C.B.C. stations with eleven low-power relay transmitters and 23 privately owned stations for a total of 38 stations across Canada. The network runs from Edmonton down here to Yarmouth, at the tip of Nova Scotia.

Mr. FISHER: I have one question on this. The population around Hearst is largely French Canadian. What is your difficulty in getting in there?

Mr. RICHARDSON: We have a request out to the network suppliers for a quotation to extend the French network into Hearst. We would be unable to act until we get these figures in about two or three months.

Mr. FISHER: Did you also consider Geraldton for a French station?

Mr. RICHARDSON: Yes.

Mr. PICKERSGILL: Is there no French service of any kind in British Columbia?

Mr. RICHARDSON: No.

Mr. McGRATH: Is any contemplated?

Mr. HORNER (*Acadia*): Has any been requested?

Mr. OUIMET: It has been requested by the French speaking population there, and like any other requests we get we have to consider this in order of priority and importance. We have simply come to the conclusion that there are other urgent things to do with the money we have, which is the determining factor, before we establish a station there.

Mr. PICKERSGILL: There is one other question, which is perhaps a kind of half international service question. Does the C.B.C. know if any of its French programs are audible in St. Pierre?

Mr. RICHARDSON: The radio programs?

Mr. PICKERSGILL: Yes, radio.

Mr. RICHARDSON: I would suspect they probably get something, but not constantly, from New Carlisle. I would expect that the signal from New Carlisle, once it hit the sea water, would bulge quite a bit.

The CHAIRMAN: Shall we pass on to television networks?

Mr. OUIMET: Mr. Chairman, I have just had a note from Mr. Gilmore and he mentions the very strong requests we have had from the French-speaking population in Toronto and in Vancouver. These are projects to which we are giving consideration and which may be implemented during the next five years if money is available.

The CHAIRMAN: Do you have any comments on the television network?

Mr. RICHARDSON: The television map is made up in very similar manner to the radio map. This is the English network service which stretches from St. John's, Newfoundland to Victoria. It is made up mostly of privately-owned stations. There are a total of 15 C.B.C. stations. That includes five little fellows like we have here at Yarmouth, Liverpool, and so on. The balance consists of 37 privately owned stations, and these also have 24 little re-broadcasting stations.

On this map we have shown the stations in existence as of March 27, 1961, plus those which have received approval from the B.B.G. but which are not in existence yet, such as the stations at Flin Flon and The Pas, which have not been built yet.

If you live out here you may get a perfectly good service, but if you live in here local conditions may prevent you getting good service unless you do special tricks with your antenna.

Mr. PRATT: Have you got booster stations there?

Mr. RICHARDSON: These are privately owned stations.

Mr. PRATT: What is the range of those stations?

Mr. RICHARDSON: There are several in each area. Here we have just given you an outline. Here is Brandon and we run into Yorkton through a relay station on Baldy mountain. It then goes on into Regina, Saskatoon, Prince Albert and so on. We have just given an outline rather than the individual stations. Otherwise we would have all these lines overlapping in these areas, which would make it very confusing to sort things out.

Mr. PICKERSGILL: I read somewhere that something was being done to improve the station at Goose Bay, Labrador.

Mr. RICHARDSON: The Goose Bay station which was being improved is the radio station. It is C.B.C. owned and operated.

Mr. PICKERSGILL: Does the C.B.C. also own the television station?

Mr. RICHARDSON: No.

Mr. GILMORE: There is provision in our budget this year to increase it to one kilowatt.

Mr. PICKERSGILL: That is for radio?

Mr. GILMORE: Yes.

Mr. PICKERSGILL: Who owns the television service in Goose Bay?

Mr. GILMORE: It is owned by the United States armed forces and is operated under a licence to the corporation. We supply the manager, but the equipment is owned by the United States armed forces.

Mr. RICHARDSON: There was a change at Harmon Field because the old transmitter blew up and they had to put in a new one.

Mr. PICKERSGILL: Is it a better one?

Mr. GILMORE: I hope so.

Mr. HORNER (*Acadia*): I should like to draw the C.B.C.'s attention to a list submitted earlier to the committee giving the number of households, populations in the provinces and the general area not served in Alberta. This included the area northwest of Calgary and west of Edmonton, and the northern areas of the Grand Prairie and the Peace River.

Looking at the map before us it is quite easy to see the area east of Calgary is not covered. In fact there is a satellite station to which constituents have subscribed in order to get television into their area. I want to bring it to your attention that this area is not served, and apparently you are not aware of it. In the statement given to the committee you did not mention the area east of Calgary. You mentioned the area west of Calgary, but from the map it is clear coverage is provided right up to the borders of Alberta on the west and there is little coverage to the east.

As I have said, some constituents had to subscribe and try to put in their own booster station. Naturally they are very annoyed, especially since the C.B.C. had money to build a station up in Edmonton, a station which five other firms were willing to build.



Mr. GILMORE: I think we should remember one or two points on this. First of all, the whole area between Alberta and Saskatchewan has been very carefully studied by the Canadian Broadcasting Corporation and by private stations in the area. The result is just now coming with the implementation of the re-broadcasting station which has been mentioned. After that has been on the air, and after we see how coverage works out, we can recast our plan and see what remains to be done.

We had a master plan put before the Fowler commission, but I should say we have not been able to proceed in about four of the major areas which we had under consideration, because of the developments of private stations which, by the way, are very good developments. They are supplementing the national service and they are emphasizing the partnership.

Concerning the Edmonton remark, I think I can say categorically as one of the persons responsible for analyzing both that project and the coverage together, that Edmonton, being a major production centre, had no effect in delaying our development of coverage by one day or by one dollar. That is a flat statement and I think it was the statement made by the president in his presentation.

Looking at the overall area west of Calgary there was also a re-broadcast station planned by one of the private stations. It is a plan which has been on their drawing boards for years, and we shall have to wait and see whether that will turn out to be a better plan than ours. If it does we shall transplant our energies elsewhere.

In the northwest area, looking up towards the Peace River area, we have a major development of two stations to provide coverage in that area, and the plans for that are now before the Department of Transport.

Mr. HORNER (*Acadia*): Apparently you are now aware of the east central part of Alberta, but at the time you had these meetings and were discussing television you apparently were not; because in the list submitted to the committee of the areas not served in Alberta was the area northwest of Calgary, northwest of Edmonton, the Grand Prairie and Peace River. There was no mention whatsoever made of the two hundred miles in from the Saskatchewan border, which has no television coverage whatsoever, of the great area in the plains of Alberta where it would be very easy to transmit television across the country because of the topography of the land.

Mr. SMITH (*Calgary South*): I disagree with unnecessary extension of the corporation but, reverting to radio, in the same terms you indicated your procedure with regard to the Lacombe installations, are you advanced sufficiently now so that you can confirm what are your other intentions?

Mr. GILMORE: They are in the engineering stages. The planning is on certain assumptions which have been announced. They are proceeding on the basis of two high-power stations, one roughly adjacent to Edmonton and one adjacent to Calgary.

Mr. OUMET: I should not like the committee to misunderstand Mr. Gilmore's statement. When he says they are in the planning stage, perhaps he should add that they have also been approved by our board, but we have yet to go before the B.B.G. to get licences. Our projects have been tied up awaiting final estimates and they cannot be given final approval by the board of directors of the C.B.C. until we get the final estimates.

Mr. SMITH (*Calgary South*): Have you selected the sites for the transmitters?

Mr. GILMORE: Not yet. May I refer back? I have been thinking about Mr. Horner's statement in order to put it into perspective with all which has



been happening in the area. I am reminded that the B.B.G. at its last meeting heard two applications for that area. One was awarded, I believe, to Saskatoon for a re-broadcast station, and another was awarded for a satellite station at Stranraer, Saskatchewan.

Mr. SMITH (*Calgary South*): If a private company is prepared to give as good service, you would not want to duplicate it?

Mr. GILMORE: The policy we are receiving is divided into two sections. First of all, if we are dealing with a national service affiliate seeking a re-broadcast station, their plan for a low power development has to be at least equivalent to the service we would plan to provide to the area. If however the applying station is not an affiliate and is extending coverage to an area which we plan to include in the national service coverage, we would consider that in the normal course of development we would try and get the national service into that area.

Mr. SMITH (*Calgary South*): And you rest your case for the establishment of studios and facilities in Edmonton on the fact that it would provide a production centre?

Mr. GILMORE: I think we are confusing the establishment of a major production centre with the development of extended coverage.

Mr. OUMET: Mr. Smith, the corporation has two obligations. One of them is to provide coverage to the country and this is what we have been talking about. If a private station is interested in operating in a particular area to provide that coverage, and it carries a sufficient number of hours of the national service, then we shall simply let it have the assignment and transfer our energies and monies somewhere else.

However, we have another obligation and that is to reflect the whole of Canada. Up to this point certain areas have not been reflected in our network programs. Alberta is one of those provinces and there are others. That is why we are building a station in Edmonton, because we feel that Alberta is one of the fastest growing provinces in the country, if not the fastest.

Mr. SMITH (*Calgary South*): It is the fastest growing.

Mr. OUMET: We feel our service to the rest of Canada would be inadequate if we do not include some programs that would reflect the thinking and the life of Alberta.

Mr. SMITH (*Calgary South*): This I understand, Mr. Ouimet, and I congratulate you for your recognition of Alberta; but the point I am getting at is, could you have accomplished that without any expense to the public treasury of Canada?

Mr. OUMET: No, we do not think so and we explained this with such good arguments before the B.B.G. that they agreed with our argument.

Mr. SMITH (*Calgary South*): That is open to question.

Mr. HORNER (*Acadia*): I know the C.B.C. is now aware of the east central part of Alberta, but only after constituents had to submit applications for satellite stations. Apparently the C.B.C. were not aware of this area before.

Mr. OUMET: I wish I could agree with you, but your statement is not correct.

Mr. HORNER (*Acadia*): I realize it should not be correct, because I had written you.

Mr. OUMET: What happened is that we had a plan to provide coverage in this area and many other parts of the west through our own large power transmitters, and we delayed these projects when we heard that private stations were interested in doing them. We have adopted the policy of encouraging such things. The private stations came forward and now we

have to re-assess the whole thing. We have to wait. It must be remembered that no private station is interested unless the area is commercially attractive, and what we would build now might be something entirely different to what we had planned before this delay occurred. This is the policy of the government.

Mr. HORNER (*Acadia*): I do not want to continue the argument, but I have just read from a statement regarding the areas not served. Certainly according to the map the east central area is not served. My next question is in relation to the duties of the corporation in reflecting across the nation the life and thinking of Alberta. Why did you choose Edmonton rather than Calgary in which to establish your production centre?

Mr. McCLEAVE: Plead the fifth amendment on that.

Mr. OUIMET: This was one of the most difficult decisions we ever had to make. We had these two large cities, which I understand are a little competitive, and we spent hours and hours trying to decide between them. One had to be chosen and we thought Edmonton suited better.

Mr. SMITH (*Calgary South*): Would not part of the answer be that private interests could provide exactly the same thing that you are attempting to provide in Edmonton?

Mr. OUIMET: Oh no.

The CHAIRMAN: Gentlemen, I think we should close for the morning. I wonder would it be agreeable to the committee if we met at 2.30 this afternoon instead of 3 o'clock, since we met half an hour late this morning because of the lack of a quorum. If it is agreeable we shall notify the rest of the members who are not present to be here at 2.30.

Mr. McCLEAVE: Are you not playing the violin while Alberta's claims are being made? Your violin does not fill in with the brass section.

Mr. SMITH (*Calgary South*): I have a question on a more serious vein. Could we have the information given to the committee this morning appended to today's proceedings?

The CHAIRMAN: Is that agreeable?

Some hon. MEMBERS: Agreed.

#### AFTERNOON SESSION

THURSDAY, June 8, 1961.  
2.30 p.m.

The CHAIRMAN: Gentlemen, I have a few reports to make. On May 18, Mr. Chown asked a question regarding the number of original C.B.C. television productions broken down according to (a) point of origin and (b) category of cost.

On May 18, Mr. Simpson asked for the annual basic T.V. network costs by province.

On May 28, Mr. Chown asked for a breakdown of production costs of Don Messer's Jubilee to show principal categories of expense and Mr. Fortin asked for a breakdown of production costs of Au Petit Cafe to show principal categories of expense.

On May 30, Mr. Chown asked for the rates paid to network television performers in the United States. This return does not include rates paid to musicians in the United States, as the corporation did not have this information available. However, these are known to be higher than the rates paid to musicians in Canada.

These returns are now being circulated to members of the committee.



Mr. OUMET: I have an answer to Mr. Fisher's question of May 25, concerning the quantity of new Canadian music presented by the corporation. During the last fiscal year in both the English and French networks, radio and television, in the form of serious music, altogether 142 works were performed. Of these approximately 70 were first performances. In the field of light music approximately 160 works were performed—

Mr. TREMBLAY: It is too much.

Mr. OUMET: —and of these, half were first performances. To the above should be added performances of Canadian works recorded by the international service and broadcast on other networks. Approximately 40 hours of broadcasting time were devoted to such performances. The actual number of works is not available at this time.

I have the answer to another question put by Mr. Chown on May 9. The total number of writers paid by the corporation during the calendar year 1960, for radio, was 1,212 and for television 967. This includes dramas, script adaptations, continuity writing, script reading and script research. The total amount paid to the people noted above was \$2,165,111.

It has just been brought to my attention that I should have mentioned in answer to Mr. Fisher's question on music that we are only speaking of Canadian works.

The CHAIRMAN: Gentlemen, this morning we were dealing with the television extensions and I believe we finished before the following questioners had been heard: Mr. Simpson, Mr. Fisher and Mr. McCleave.

Mr. SIMPSON: Mr. Chairman, on the extension of services, I think this is a very important aspect of our deliberations, and although I do feel I have a fair knowledge of the formula which the C.B.C. has adopted in relation to their determinations as to what areas they will serve, and while I realize some kind of formula is undoubtedly necessary, I think that the extension of the services to the areas which are not now serviced is a program which should be very definitely accelerated by the corporation at this time.

There are two things which disturb me a little.

For instance, in the president's annual report at page nine I notice it is stated in the third last paragraph:

The corporation maintains a continuing review of the remaining unserved areas and is embarked on a program of providing service as available funds permit.

On page 10, in the first paragraph, there is much the same sort of statement:

The corporation will continue its efforts to bring television service to unserved areas. In the light of the current level of financial and engineering resources. . .

I may be wrong but those are the only two mentions I see in the annual report of the phrase "as available funds permit". In relation to the general capital expenditures, and I do not particularly mean buildings or things of that nature—I am thinking of the unserved areas—if there are available funds permitting, the corporation should take a very good look at this and put some priority on it in requesting funds specifically for that purpose.

I should now like to direct one or two questions to Mr. Ouimet. First of all, I would like to know how many kinescope television stations the corporation is operating at this time?

Mr. GILMORE: Service by kinescope cannot be provided into all those areas. At the present time we are giving our full service by kinescope to two or three stations. One additional station is coming on the air in Prince George and when we analyze the total service by kine, which also operates to provide programming in non-option time to our affiliates for our scheduling service, we have



an average of ten stations per year. The amount of programming recorded would give a full service to about ten stations, but within the next few months there will be four full stations receiving kine.

Mr. SIMPSON: Will those be C.B.C.-operated stations?

Mr. GILMORE: No sir, not necessarily. Of the four, two are private.

Mr. SIMPSON: I realize you have some private stations which you are serving, but I want to know how many actual C.B.C. stations you have at this time operating through kinescope?

Also in relation to C.B.C. applications which have yet to come before the B.B.G., in regard to stations to service the Peace River area and Le Pas, does it intend doing that on a kinescope basis?

Mr. GILMORE: The application in regard to the Peace River area is before the Department of Transport, and the first estimates we have, and the proposition we have made, are on the basis of connected networks. I might say this is all related to the formula which the president outlined this morning. We endeavoured to determine the cost on the basis of the formula, by getting quotations for direct connections by microwave in the case of television, and by lines in the case of radio, and relating back to the homes covered. In the case of the Peace River area, which has two stations, which proves more economical on the basis of the microwave, we have to provide a direct connection. In the case of Flin Flon-Le Pas, which was recommended by the board of broadcast governors for approval and for which we have not yet received the licence, the more economic operation and the only way we can do it within our formula range is to do it on the basis of kinescope recording.

Mr. SIMPSON: Can you say if, in your deliberations in regard to servicing in the Peace River area, you have found that the rental charges on microwave facilities are lower than the rental charges in other provinces of Canada; and are they much lower?

Mr. GILMORE: They are the same tariffs, sir. We have a master contract with the Trans-Canada Telephone Company for this service, and no matter where we extend, the same tariff will apply. It is a matter of miles from the nearest connection.

Mr. SIMPSON: You do not get individual deals from different provincial telephone companies?

Mr. GILMORE: We are not permitted by our master contract to do that sort of thing.

Mr. SIMPSON: You will realize, of course, that I am very interested in the northern Manitoba setup. At the present time we are planning to put in kinscope there. We know the people will continue the request for network facilities and I am wondering if future plans call for a further look at an area such as that, which is being serviced, prior to looking at absolutely unserved areas.

Mr. GILMORE: The policy followed thus far is to provide what service we can in a given area, and provide additional services as we go forward, but not as yet to go back, because our service throughout the country is not to that extent where we can go back and look at prospects which are already complete and provide some service.

Mr. SIMPSON: Has the formula accelerated, let us say, since your decision to go to northern Manitoba, and now your new decision to go to Peace River? Has the formula gone up? What I am getting at is, will the network into Peace River be more expensive for the household than the network in Manitoba?

Mr. GILMORE: The cost formula for Peace River, speaking from memory, yield a cost of \$20 to \$25 per home, and in the case of Flin Flon-Le Pas, the cost formula would be in the neighbourhood of \$57 to \$60 per home.

Mr. SIMPSON: I realize you are not dealing with this on a provincial basis, but I would like the committee to have a look at the annual basic T.V. network cost by provinces. I would respectfully request the corporation to take a good look at Manitoba and notice the annual charge for television in Manitoba is \$107,000. If the additional charges for putting the network in are taken into consideration as far north as Flin Flon on a provincial level, it would still be low in the province on a comparison of population. I know that this service has not started out in this way, but I would certainly hope that in your future deliberations you would take that into consideration. We have not got the figures here, but the number of households served in some of these other provinces at a much greater cost is still fewer than in Manitoba for \$107,000.

Mr. OUMET: Mr. Simpson, believe me, if there were some way to provide the microwave network to Flin Flon and Le Pas without creating an impossible situation with respect to the other points which have priority on the basis of cost per home, we would do it. You are suggesting that we should look at a new approach, that we should consider working on a provincial basis. Let me say to you that this would not be practicable. The whole philosophy of the corporation with respect to coverage has been that we should proceed according to an order of priority which was based on the cost per head served or per home served. If we start to allocate amounts—I do not know how we would do it, to tell you frankly—on the basis of so much per province, I think we would have to go back to a basis of population.

I would like to comment on what you have said that there were other provinces where we spend a great deal of money to cover fewer people. I do not believe this is the case. The main cost of our network is really to link the whole country together, and you cannot separate it in little bits and say that that part which is between two boundaries is for the purpose of serving that province. It is also for the purpose of linking all the provinces together. I cannot see any possible way in which we could operate on a provincial basis without creating the most serious administrative problems, and I think that the minute we depart from our cost per home formula we would have a chaotic situation.

At the moment, even though it is a difficult thing to explain, and although it is a little hard for the people affected to wait, at least there is a logical basis which people can see as a criterion for development of service. If we lose that criterion, I do not know on what basis we would proceed except perhaps to provide it where the greatest pressure comes from—and that would be, of course, an impossible situation.

We are doing our very, very best. It may well be that when the 1961 census is complete there might be changes in the population which will affect our order of priority. I do not think it will change the situation materially in the Flin Flon-Le Pas area.

I, personally, have given more time to the Flin Flon-Le Pas area than to any other similar problem of coverage in Canada. It is not possible to change the order of priority for the good reason that Flin Flon and Le Pas unfortunately are just too far located from Winnipeg, and there is not enough in between. If there were many communities in between to serve at the same time, then, of course, we would distribute our network cost, which is an annual cost and not a capital cost, over a great number of people, and the problem would be easy to solve. However, at this time we cannot spend \$60 per home for Flin Flon and Le Pas, when we are refusing to spend \$30 per home in many other areas of Canada. It is a strange situation because Flin Flon and Le Pas are probably the two most important centres which are isolated in this way. I do not think there is any other city in Canada not being served which has the same population as Flin Flon.



Mr. SIMPSON: No, no.

Mr. OUMET: But it is far way from our main line. That is the problem.

Mr. SIMPSON: The situation is not being to get any better, because you are going to have larger populations north of that in the very near future, and you will still have that gap to bridge.

Mr. OUMET: One of the best ways to get the network in Flin Flon is to increase the population rapidly in northern Manitoba.

Mr. SIMPSON: I have done my best, sir.

Mr. McCLEAVE: Call on us for any help you need.

Mr. SIMPSON: I think the corporation have some obligation in respect to areas of this nature, except, as you say, that it must be judged on an over-all Canadian basis. There is merit in that. However, when you have a situation, which you admit yourself is absolutely unusual and which is going to remain that way, despite the fact that we have places like Thompson north of Flin Flon where probably there will be 4,000 people next year, a place where there was nobody four years ago, that 4,000 will not assist your present population because it will be another 200 miles north of Flin Flon.

Mr. OUMET: That is what I was going to say. This is going to be another difficult problem,—to get the network there, even if we had it into Flin Flon. It will require quite a number of people to justify the cost of the network between Flin Flon and Thompson.

Mr. GILMORE: We are arranging to supply a closed television network service through Flin Flon at Thompson.

Mr. OUMET: This question of the kinescope service, which now seems to be considered as something undesirable, was the only way by which we could feed places like Edmonton, Winnipeg and Calgary, and I do not know how many others, for several years, until the microwave was connected; but it is a perfectly good service though, unfortunately, it cannot give certain events as they happened.

Mr. SIMPSON: It has given us football. I realize the difficulty and I think you realize that in the brief which was presented at the hearings of the people in that area, they appreciated the fact that you were going in with the kinescope. I just want to impress on the corporation that that is an unusual situation, and that it will become more complicated as the population increases further north of there. I think that something should be done in considering a special formula for areas of that kind, so that we could circulate hope that the corporation would take into consideration such a thing, as there could be great demands from a great number for the network service.

Mr. FISHER: I would like every member of the committee to take a look at the map and notice that northern Ontario is very little pink.

The CHAIRMAN: I thought it was all pink.

Mr. FISHER: I represent a constituency almost one-third of Ontario in size and, unlike Mr. Simpson's constituency, the microwave network runs right through it. Mr. Oumet mentioned this morning, or Mr. Richardson, this business of waiting for census figures.

I want to draw it to the attention of Mr. Oumet that census figures in the particular area I represent are an inadequate measure of the population. I will explain why. I have been interested in seeing some kind of television service go into the Geraldton-Longlac-Nakina area. Little Longlac Paper has camps in which there are approximately 2,000 men for 7½ to 8 months a year. Just south of there, the St. Lawrence Corporation has camps for the same



period of time for approximately 1,500 men. All this adds up to a much higher population than the census is going to reveal, because most of those men come from either the Lakehead or to the east, all the way from Kapuskasing, and Kirkland Lake in that particular region. But in terms of people wanting service, as far as I am concerned, they are entitled to it and it is during the peak parts of the year they are in there.

There is one other factor I want to draw to your attention about this part of the country. Almost every community in northern Ontario, particularly in my own constituency, have spent a great deal of money developing community antennae. We have them in White River, Schreiber, Geraldton, Little Longlac, Caramat and Nakina. They are all getting very, very poor reception, and if a station were created in the Geraldton area where you have a very high position on the central plateau in that part of the country, of the standard of the Kenora station, it would solve a great many of the complaints and much of the feeling that they are being overlooked.

Now you have decided—and I am delighted—to go ahead and provide television for the area of Sioux Lookout and also for Dryden. In population terms you will not reach, covering Sioux Lookout or Hudson or even in Dryden, as many people as the station in the general Longlac or Nakina area. There is also the question of development. We have a very, very large iron ore development taking place just north of Nakina and another one just to the west of Nakina. It is an area where the population shows a tendency to move ahead. Then again it is much stronger in the Dryden-Sioux Lookout region.

I would like some explanation and comments upon the situation in that part of Ontario and the reason why, with the microwave network running through there, something better might not be done.

There is one last question that I think is relevant to what Mr. Simpson brought up. The C.B.C. is spending a considerable amount of money serving the north, largely with radio but also through other arrangements where up in the Yukon you can provide a television service by kinescope. Is that correct?

Mr. OUIMET: In the case of providing kinescope service to Whitehorse, they pay out-of-pocket expenses.

Mr. FISHER: I do not want to rule out radio service for the north, but I cannot see why the expense of providing that service, because of the unique situation in the north, is any more important than the point Mr. Simpson made in relation to these unique communities and the unique situation in northwestern Ontario.

Now, in so far as the out-of-pocket cost is concerned, any of these communities in northwestern Ontario, and specifically Geraldton-Longlac, are prepared and have been prepared if anyone would give them the lead, to come up with money to go towards the provision of stations there. I do not think it is a good arrangement to get this sort of thing developing, but if the C.B.C. wants to take the initiative, you can get cooperation of all these communities either in providing better community antennae to bring in any station you establish or to help the basic service. Those are the points I have in mind, and I would like some comment upon them generally.

Mr. OUIMET: Mr. Fisher, I will give you the general picture and then I will ask Mr. Gilmore or Mr. Richardson to fill in some of the details. You were asking why Dryden and Sioux Lookout were served before Geraldton-Longlac, and you mentioned another centre. It is simple; because on the basis of our population statistics and on the basis of our estimates of cost, it was cheaper per home to provide the service in Dryden and Sioux Lookout.

Now, I cannot agree more with you that something ought to be done in the area of Geraldton and Longlac, and as a matter of fact this area is fairly high

up in our priority list, but it is not in this year's budget. Let us hope it will be in next year's budget.

Mr. FISHER: What sort of station are you putting into Dryden; is it comparable to the Kenora station?

Mr. RICHARDSON: The power at Dryden is higher than at Kenora. Dryden is the place that is nearest to the network, so we are making a fairly powerful station there, about 9 kilowatts. Then we will have sufficient signal from Dryden to pick it up at Sioux Lookout and run it as a satellite.

Mr. FISHER: What is the cost of Dryden as compared to Kenora?

Mr. OUMET: I do not think we can give you those figures from memory.

Mr. GILMORE: Is the figure being asked for the cost per home figure?

Mr. FISHER: Yes.

Mr. GILMORE: The Dryden-Sioux Lookout complex is \$15.10 per home and as for Kenora we have to go back a bit in history to check that as it was some time ago. It was of the order of \$10.

Mr. OUMET: It was less if it was done before.

Mr. FISHER: In regard to this, what allowance do you make for the fact that American stations are coming into some of these areas? Does that change the priority at all?

Mr. OUMET: It does not change the priority. You could argue the fact that because there are American stations, it would make it more urgent to have something Canadian, or you could argue the other way, that having American stations is already some service. So we do not take them into consideration.

I wanted to answer two of your other questions. You were speaking of the relative importance of providing radio to the northern areas as compared to providing, say, microwave networks to Flin Flon, or to provide some T.V. service in northwestern Ontario. I think it is not at all the same problem. We have considered that radio was a more basic need in areas which receive no Canadian communication at all—such as the north—than to add T.V. to an area that is already served by radio, such as northwestern Ontario, or to add a microwave to an area which would already be getting kinescope T.V. service, such as in Flin Flon.

So in order of priority, it is more important to make sure that those Canadians who have neither radio nor television and who are as isolated, as is the population of the north, get some radio service,—and especially Canadian radio service,—because you have heard the argument advanced very often when criticising the corporation for not providing the service, that all they could get was Russian transmissions. So I think it is very important to serve the north by radio. We are not thinking of serving the north with television at this moment—the far north.

Mr. GILMORE: May I give you the accurate and correct figure on Kenora, Mr. Fisher? The figure for Kenora was \$13.20. The figure for Dryden-Sioux Lookout is \$15.10. So we are moving up in that scale at this point.

Mr. FISHER: You will not give me, I suppose, the projected cost in the Geraldton area?

Mr. GILMORE: I do not think it is at a stage where we can give it to you. I will double check on that. We will look that up in the data sheet and provide it as soon as we have it.

Mr. OUMET: I have another comment, Mr. Fisher, on your question. It has struck me in what you were saying about some of the communities in your area being ready to subscribe some money to get television service, that if the corporation was interested, and could take the initiative, perhaps we could get some assistance in that way. I think this is a very good example of the



importance of T.V. to the public. We often talk here, and we have talked at some of the earlier meetings, about the high cost of television, the high cost of the C.B.C. and whether the people of Canada could afford it. I have told you what it costs. It is four cents per day per home. It comes to about \$12 or \$13 a year per home. Now that looks like a lot of money to the legislators who have to find that in the federal budget, but to people who are without television it does not seem so much. They are ready to pay \$100 in order to get it by various means,—subscription T.V., or community antennae. They will pay \$125 down and \$9 or \$10 a month to get it.

The cheapest way of providing that service is not to go to such systems as pay T.V. or community antennae or subscription T.V. It is to do it the way we are doing it with the national service, which costs the amounts which were quoted by Mr. Gilmore a minute ago. We are in the range now of about \$20 per home. I do not know how far we can go. I said previously that by the time we get to \$500 a home we had better stop and have a second look; but it is still a much cheaper way of doing it than any other way and it is still the public who pays for it either way. So I thought I would stress this point.

Mr. FISHER: I would like to stress to you that it is \$125 approximately in Geraldton. I think they are paying \$4.50 a month in Marathon—a little bit lower in each case—but it is still pretty high. Every one of those communities has a considerable number of subscribers paying at least a minimum of \$100 a year just for very poor—I suppose it is rated “C”—service. Most of it is coming from American stations—Marquette, from across the lake. If people are prepared to put out that much on their own, you can get money from municipal councils, from trade unions, you can get it from individuals; but if you will go in and provide the lead, then it seems to me that it is about time we had at the very least some kind of memorandum or paper on this particular problem, on the amount of money that has gone into community antennae systems in various efforts in order to improve or get any kind of television service. I should like to draw to the attention of members of the committee that we have had a brief presented in relation to community antenna service which, in essence, was a joint effort by the B.B.G., the private broadcasters and the C.B.C. Is that not right?

Mr. OUMET: That is correct.

Mr. FISHER: Before considering any of its recommendations I should like to remind all the members how important the people who are paying for this service feel it is. I am not considering the community antenna problem but I do wish that committee had dealt a little bit more specifically with this kind of community instead of gearing itself in defence against the possible threat of pay T.V. or telemeter television. I want to ask about this problem of people who will not show up in the census, but who are definitely there.

Mr. OUMET: I think this problem appears in a number of areas. We have it, for example, in the summer resort areas to a very large extent and we keep this in mind in considering the problem. I do not know what we have done in this particular case but, with the information you have given us, we shall have our engineers keep this factor in mind.

Mr. FISHER: But it is not the engineers. Surely an engineer will be of no use in doing a population check?

Mr. OUMET: I mention the engineers because they have the responsibility to use the information given to them by the statisticians. It happens to be the area in which their responsibility lies in the corporation.

Mr. FISHER: If you want information, or how to find out about the workers and the number of people in that area I can direct you to several sources.



All of northwestern Ontario is divided up into timber limits running from the Manitoba border ranging up to areas as large as 5,000 square miles. They are all being exploited by very large organizations at this time and the total labour force in the portion from Dryden eastward to approximately Marathon is somewhat in the nature of 11,000 men. They are working there for most of the year and those people will not show up in the census figures.

I can underline this if you want proof from the last election figures. According to the election in March, 1958, there were approximately 4,000 voters in these various bush camps in that area and most of the year the situation is more intense than that. As I say, these people are not going to show up in the census.

Mr. OUMET: We shall keep that problem in mind.

Mr. McCLEAVE: Mr. Chairman, as I threatened to do, I shall take up the cudgels on behalf of my own constituency and on behalf of the people living in the eastern part of the Halifax area riding and also in places in parts of Guysborough county. I understand the new station is operating at Antigonish but, despite that, there are quite a number of homes east of Sheet Harbour which are not receiving satisfactory television service. So, I would ask on behalf of two members for the Halifax and Dartmouth areas if the C.B.C. could make a check and I suggest the logical place for a satellite would be on one of the hills around Port Dufferin, along the Halifax side and on towards Canso. Secondly, I should like to know the cost of a T.V. satellite. There are three Halifax satellites and I should like to know what is the cost of CBHT. It is about \$30,000.

Mr. OUMET: No, it is more than that.

Mr. GILMORE: I have a problem in answering a question like that because they range all the way from \$50,000, \$75,000 to \$100,000, and the lowest complete station is in the order of \$100,000. If you want to build something in the order of 50-kilowatt effective radiated power to give a good area of coverage where there is a big concentration of population you are in the  $\frac{1}{2}$  million range. Then too you have the problem to consider of whether you are putting in 100 foot towers, 300 foot towers or 500 foot towers, and these can change costs considerably. For the area you are considering it must be analyzed in terms of what is the most economical investment for the contour you want to achieve to cover a good population. I would say the median point is somewhere in the \$250,000 to \$300,000 bracket.

The CHAIRMAN: Are you satisfied Mr. McCleave?

Mr. McCLEAVE: I was wondering about the first part, whether a check would be made to see how unsatisfactory the present service is.

Mr. RICHARDSON: The first problem I pointed out when I was talking about this map was that just because an area is covered by the shading it does not necessarily mean it gets good service, because those people living in deep valleys or behind hills and other shelter cannot get good service. This is the first time I heard the Antigonish station is not providing satisfactory service, and we shall look into it.

Mr. KEAYS: I should like to express my appreciation to the C.B.C. for having put the Magdalen Islands on the map. However, I seem to be running into other troubles, as I have here before me a forecast dated January 1, 1960, of the households located outside the six communities which are in the province of Quebec through an area southeast of Lac Frontiere and the general area north-east of Mont-Laurier. I should like to remind the corporation that the Magdalen Islands are in the province of Quebec.

Mr. PRATT: Where is the province of Quebec?

Mr. KEAYS: Just outside Dorval.

Mr. PRATT: There is a lot of truth in that.

Mr. OUMET: The only answer I can give you is "touché".

Mr. KEAYS: Secondly, if you look at the map of television broadcasting you will note that the only part in the eastern section of Canada that is still not in sight is the kingdom of the Magdalen Islands, which is without a king, and the northeastern part of the Gaspé peninsula. This raises a problem which has already come up before this committee, that these people who are living in these areas would like to have television, as well as the other people in neighbouring areas and constituencies. What is the major reason why we cannot have television in the Magdalen Islands?

Mr. OUMET: We have just changed the maps to show you there is also the French network service which now covers the area you mention in the Gaspé peninsula, but it still does not provide service to the Magdalen Islands.

Mr. KEAYS: I just got back from there today and there is no television on the eastern tip of the peninsula.

Mr. OUMET: There are parts of the Gaspé peninsula where there is no coverage.

Mr. KEAYS: Well, that makes my point stronger for the Magdalen Islands.

Mr. OUMET: There was an application by a private interest for a very large television station in that area, on top of a high mountain. I do not know the reason for it, but the application was turned down. This again is the sort of problem to which I referred this morning. When we know that some private station is interested in serving an area it has been our policy to delay proceedings ourselves because we might just waste a lot of money, and in many cases we have deferred to private stations if the service they provide is comparable to ours. Knowing Mr. Richardson would probably be here today I asked him to document himself well about the Magdalen Islands problem, and I hope he has done so.

Mr. KEAYS: Could we hear from Mr. Richardson?

Mr. RICHARDSON: The Magdalen Islands have received almost as much consideration as Flin Flon and The Pas. We have gone into the problem very thoroughly and it is virtually impossible to get network service to the Islands except at extremely high cost. We even considered servicing them by kine recording but with the population which is there the cost of that type of service will be up to the \$60 per home bracket, which is beyond the limits within which we are allowed to work at the moment.

Mr. OUMET: I think you have the same problem as Mr. Simpson in terms of increasing the local population.

Mr. KEAYS: I am not interested in the English network because 92 per cent of the population there is French speaking.

Captain BRIGGS: This is a long way. It is 60 miles to the north of Cape East, which is the most eastern part of Prince Edward Island.

Mr. KEAYS: Could you bring a network service from Moncton to Inverness?

Mr. RICHARDSON: But you still have to pay for all these miles.

Mr. OUMET: It will mean something akin to \$250,000 in operating expenses to serve—will you tell me how many people are in that country?

Mr. KEAYS: You know.

Mr. GILMORE: The answer is pretty clear. As we get to the level of \$50 to \$60 per home we shall provide the service, and I think that applies to many other areas.

Mr. KEAYS: Do you not think consideration should be given to originating a service to the islands from the mainland?



Mr. RICHARDSON: It does not make any difference in the problem if they are supplied from the mainland or not.

Mr. KEAYS: Have you taken into consideration the 25,000 French speaking people who live in the southeastern part of Nova Scotia who would benefit from the same service coming out of Inverness?

Mr. OUMET: The southeastern part?

Mr. KEAYS: I mean the northeastern part of Nova Scotia.

Mr. OUMET: What cities.

Mr. RICHARDSON: You have it at Cape Breton, about Cheticamp.

Mr. OUMET: We have considered that arrangement also, but there is the question of price.

Mr. KEAYS: Would the population of the two groups together not be sufficient?

Mr. OUMET: We have tried all these combinations. Sometimes there are four or five different ways of getting into a certain area.

Mr. KEAYS: Let us say it costs \$25,000 to consider the Magdalen Islands alone, but if you take in the Nova Scotia population would that not come down to about \$15,000?

Mr. OUMET: No, it is not the same.

Mr. KEAYS: I have one final question, Mr. Ouimet. In the interests of those Canadians who are not receiving the benefits of television, do you not believe it would be wise to delay some of your capital expenditures until all these areas of Canada have been serviced?

Mr. OUMET: No. I think it would be unwise for this reason, that in the case of the large capital expenditures you are speaking of, these are all one-shot expenditures. You do it; it is finished; it is good for 20 years or 25 years and it does not involve operating expenditures. But, in the case of Flin Flon and The Pass you are bringing in a network, and, in the case of the Magdalen Islands, to try to bring the network there, no matter what route you may follow, you have recurring annual charges which must be added to the operating budget. This is the big difference. For example, this is the difference between the station at Edmonton, which is expected to pay its way. In that instance we have only the capital costs to consider. We do not have to consider the operating costs, if all goes well. But in your case, taking Flin Flon and the Magdalen Islands together, they will run into millions of dollars in operating costs.

Mr. KEAYS: If we could delay the capital expenditures for a few years the interest saved would possibly guarantee us a television for five or ten years.

Mr. OUMET: I think it would pay for a couple of communities in Canada but we would still have all the other problems with all the other communities.

Mr. FISHER: Could we get some statement from you, not necessarily now, as to the unserviced areas in Canada? If that could be given to us in some kind of chart form, with the approximate costs as they stand at the present time, it might provide something in the nature of an order of priority.

Mr. OUMET: Mr. Fisher, we have always wondered about the wisdom of doing that, although we should like to do it. However the problem is that until you have the last estimates, until you have the final figures on populations, until you know what the sum of the private stations plans will come to and whether they will materialize or not, we would be afraid to make public our working plans, because the order of priority may well change. Then, of course, I think we would create more disappointment than we would give reassurance, by publishing these figures. On the other hand, we do not mind discussing this sort of



thing with any one of you if you want to come to our office and see what the problem is, so that you could explain it to your community.

Mr. KEAYS: I would like to put this to Mr. Ouimet, before it is forgotten. I would like to check with him and see if he did tell me that he is thinking of the possibility of a kinescope service for the Magdalen Islands.

Mr. OUMET: We are studying the kinescope network service for all parts of Canada not yet served and not only for the Magdalen Islands, and we gave you an idea of the cost of it.

Mr. GILMOUR: That was based on a kinescope study which had been made, which was \$60 per T.V. home.

Mr. McGRATH: I would like to make a suggestion, Mr. Chairman. I realize there is about an hour and a half of suggestions. I would like to suggest that in so far as only a limited number of the committee are interested in coverage in local areas, we should have a subcommittee sit down with the operating members of the corporation and discuss that matter.

Mr. KEAYS: That sounds like a good suggestion.

Mr. SIMPSON: Yes. I must apologize for taking up the time of the committee on local problems, but I did not spend too much time on the production end of this because I have not had any complaints about production from my area. I would like to ask about a few technical possibilities. You are quite at liberty to say and possibly will say, this is definitely against C.B.C. policy, but I am trying to get at the situation for the relatively near future when we might be able to get a network into the Flin Flon-Le Pas area at a cheaper rate. I would like to find out if it is technically possible. You see a small gap between Flin Flon and the area towards the west. I understand we heard many remarks by many people interested in different areas. I have heard about Prince Albert, which is one of your affiliate stations, which is interested in serving the Nipawin area. I do not think your coverage there covers Nipawin yet.

Mr. OUMET: No.

Mr. SIMPSON: Would it be technically possible, despite the fact that it is against your policy at this time, if Prince Albert or any such station were given a licence for a service in Nipawin, or possibly further east. Could the network section of what P.A. are carrying be relayed to Le Pas, and then north? I know this is not going to allow you to set up your satellites to extend coverage through a private station, but we must examine the possibility of going further north in the cheapest way. If that area could be examined and serviced by a private station, if P.A. had got a satellite station, would it be possible to put a satellite in the Nipawin area to reach into Le Pas and branch off the network with your programs?

Mr. OUMET: I do not believe that anything you have said is necessarily against our policy.

Mr. SIMPSON: I figured that you would not build a satellite.

Mr. OUMET: We would have to study this particular cost, which is a fairly complex one, where you would have a satellite of a private station feeding a network of two C.B.C. stations. Off-hand, and speaking only of my first impression of your suggestion, I do not see that it is necessarily against policy, if that was the only way to provide service; but we would have to study this.

Mr. SIMPSON: Mr. Richardson could tell us if, from an engineering standpoint, that would be technically possible.

Mr. RICHARDSON: Technically, it is feasible. We would have to take certain precautions, technically, to maintain the quality of the picture.

Mr. SIMPSON: I realize that.

Mr. RICHARDSON: You have to be careful not to have too many hops from satellite to satellite. Unless they are very well established you do not get any better service than you get by kinescope, but you might get football—if the C.B.C. carries it.

Mr. SIMPSON: I can foresee that in the very near future if Prince Albert does come through with an application and the network is that close, that they would be deluged with suggestions or applications from the people to bring it in there, so I would be glad if I could assure them that it is not against your policy, and that you would consider it if it is technically possible.

Mr. OUMET: We will consider it, we will be delighted to study it; but please do not take my answer as a final one because you just raised it and my immediate reaction is that it does not seem to be in conflict with any policy. I would like to take this example, showing how the problem continually keeps shifting. As of today there is perhaps a different possibility of doing something and that in itself is a factor that we have to keep in mind in arranging the priority of these things. We have one order, and then somebody makes a change, puts a satellite somewhere else, and then another possibility comes up, and then the priorities change again.

The CHAIRMAN: I should like to interject something here, if you do not mind. I know a lot of people are asking questions and a lot still want to do so; but as I said before I think the committee has already agreed that we would be through with the C.B.C. If there are important questions to ask on other lines, we have one hour and five minutes to do it.

Mr. ROBICHAUD: Would Mr. Ouimet tell us whether the station at Mont Laurier, now, has a relay station open to it.

Mr. OUMET: The station has not been established, but we are proceeding with the establishment of the Mont Laurier-Mont Tremblant satellites. As you know, Mont Tremblant picks up the Mont Laurier station, and Mont Laurier picks the Montreal station.

Mr. GILMORE: The situation in the Mont Laurier-Mont Tremblant case is that we are awaiting clearance of the property, which involves an order in council of the provincial government and an order in council of the federal government, following which we will go right ahead with the project, assuming we get our clearances. On the assumption that happens in the next two months, we should be on the air within the following six months, or six to eight months. That assumes, of course, that we do not run into winter construction problems at an early stage.

Mr. FISHER: I like Mr. McGrath's suggestion that we have a subcommittee to go over to the C.B.C. offices and talk all this over with them. Mr. Simpson and myself and Mr. Keays, I know, would appreciate that.

The CHAIRMAN: That is a good idea. They will even feed you a lunch.

Mr. FISHER: I am quite willing to forego further questioning on these matters if this committee were set up, to go over to the C.B.C.

Mr. MACDONNELL: In peace or war.

Mr. MCGRATH: I put that in a form of a motion, that the subcommittee be so set up.

Mr. MCCLEAVE: Could I be added to this safari?

The CHAIRMAN: I do not know whether subcommittees at this time would have very much time to study this.

Mr. MCGRATH: They could bring back a report and we could deal with their studies when we are making our report.

I move, seconded by Mr. Fisher, that a subcommittee be formed to go into the question of the extension of coverage, with the corporation.



The CHAIRMAN: Perhaps you had better go into it with Mr. Caldwell, also, if it is football you want?

Mr. OUMET: I would suggest you have two separate committees in that case, as we do not know their plans at all for such coverage.

Mr. FISHER: I think it could be something extraneous. I am looking forward to this college football business.

Mr. McCLEAVE: Rah, rah, rah, sis, boom bah!

The CHAIRMAN: The subcommittee consists of Mr. Fisher, Mr. Simpson, Mr. Keays and Mr. McCleave.

Mr. McGRATH: Mr. Pickersgill would probably be interested.

The CHAIRMAN: You had better ask him.

Mr. McGRATH: I will leave that to you, sir.

Motion agreed to.

The CHAIRMAN: Could we go on with programming and commercial rates?

Mr. FISHER: To be very succinct, I have a question in two parts.

Mr. Ouimet, in your public affairs broadcasting, why do you have such a small proportion of program dealing with Canadian and domestic issues and such a large proportion dealing with international issues?

Mr. OUMET: Frankly, my impression is that the proportion is pretty well balanced. I know it has been the impression of a number of members of parliament who have mentioned this to me, not only yourself now, that there seems to be too much attention given to the international affairs. However, we think it is well balanced in relation to the events which have taken place in the last year. We must not forget that the last year was extremely fertile with extremely important international developments.

Mr. FISHER: Yes, but it was also extremely fertile in domestic development. You took off a program like Press Conference and I suppose Inquiry is a substitute. You do not run it on a regular basis, but you run it irregularly. I like Inquiry as a program and I suppose other people do, but in a sense we have a national quality in which we have had one program dropped and we have very little on a transmission from one region to another of economic, industrial and political problems which knit us together on what the nation is doing. I return again to the point that I find Canadians are supremely interested first of all in fellow-Canadians and in what they are doing, yet we get so little of this in public affairs in comparison with what we get on what has happened in Laos, in Cambodia, in Cuba, in Egypt, in Washington and places like that. I will not ask you, as Mr. Chown did, to file statistics, but I would suggest that you consider very seriously the length of program which is being given for Canadian public affairs.

Mr. OUMET: Mr. Fisher, I can reassure you immediately that we have considered that problem very seriously. As I have told you, in casual meetings with some of your colleagues I have heard the same thoughts expressed. We, ourselves, have wondered whether we were doing just the right thing. Therefore, we are having a look at our present plans in international and national affairs. I would like Mr. Hallman to comment on this, and May I say before Mr. Hallman speaks that this has been discussed also by our board on a number of occasions.

Mr. E. S. HALLMAN (*Vice-President, Programming, Canadian Broadcasting Corporation*): There are perhaps two aspects of the problem. There is a tendency sometimes to consider news coverage and programs like News Magazine as concentrating on international affairs and perhaps less on Canadian



or domestic affairs. Our review of this program certainly supports the president's suggestion that in this past year news development on the international front has been dramatic in some cases, compelling attention on the part of Canadians. This has taken a good deal of time, not only in the programs like News Magazine but also in our regular television and radio news bulletins. In the case of programs devoted to public affairs discussions, I think you have to remember the variety that we do in this field. "Inquiry", I agree, has not been consistently scheduled this past winter. As a program dealing essentially with the domestic picture on the federal scene, I think our plans for the coming year are that there will be a consistent schedule dealing with economic and social problems generally. Citizens Forum has been a Sunday afternoon feature during the past year dealing with domestic problems.

Mr. FISHER: But look at the time and the ratings of these programs. Look at the time Citizens Forum goes on—I do not think it is a good show, anyway, personally—it just does not hit a good time.

Mr. HALLMAN: We have looked at that carefully, and we are going to strengthen the peak evening hours in terms of interpretation via public affairs programs, but we are not at all sure that Citizens Forum is not well received on the Saturday afternoon period. It is a time when a sober view of public events is possible in the home and our experience in looking at it, in terms of viewers' response, is reassuring on this score.

Mr. FISHER: In so far as Press Conference is concerned, I have had more people ask me, even in my own area why this is not on more often. I wonder if any consideration is being given to bringing it back?

Mr. HALLMAN: The question certainly has been debated in the past two weeks in the corporation. We have been discussing this off and on for some time. The problem is to sustain a regular series of this kind, with the kind of news-oriented important stories that I think are required to sustain a series. It certainly is a subject which will be a feature of "Inquiry". We are considering now the possibility of taking a certain chunk of the schedule and devoting it exclusively to a Press Conference format on the national scene.

Mr. SMITH (*Calgary South*): Mr. Ouimet, I am not taking a totally opposite view to Mr. Fisher. I want to congratulate the corporation on the public service programs they have had. My complaint or criticism is not in this field. I think programs such as Citizens Forum perform a very excellent function.

I am concerned not so much with the relationship, as to whether a particular program is better than another program, since it is very difficult for a committee with the variety of views that we have on this subject to come to any conclusion on it.

What does concern me—and this is something offered by a number of professionals in the business as well—is the standard of those who perform in some of the dramatic roles. There could well be some improvement in the standard in directing, perhaps also in photography and art work. You have touched on the problem of getting experienced people, and then losing them. Can you comment on any way in which you hope to see any greater efficiency in the talent used, to get a higher standard, and of course, especially in the field of television?

Mr. OUMET: This is the most unexpected statement that I have heard in the committee. We have had the impression—not that we are self-complacent—that the standard of performance of our Canadian artists and the standard of production technically or artistically, particularly in drama, has been very good. Take the "Festival" series or the standard on the French network. We have heard our standard is, as a matter of fact, as good as any other that we can compare with. Perhaps we are inclined to be indulgent in assessing our work.

On the other hand, because of the comments which we have received—say, from press critics, who considered that our drama is tops, perhaps tops in North America at the moment—I am very surprised.

Mr. SMITH (*Calgary South*): Are we talking about the same things? I cannot speak about the French network.

Mr. OUMET: I am talking about the English network as well as the French.

Mr. SMITH (*Calgary South*): I will be as specific as I can. Let me take a particular series, if I may, the General Motors Presents program, for which you have excellent topics and vehicles, to carry on a particular dramatization of the situation. Also, I think of one which quite recently a sponsor refused for some reason or another to sponsor, where we poke fun at Canadians; I think it is well written. It concerns me that we could go a long way towards improving the acting, that we are still very much in the little-theatre stage in some of these productions which to me do not look very professional. I have heard this criticism registered before, but you say you are surprised.

Mr. OUMET: I express really great surprise because from what I have heard from all people who have been kind enough to express their views on our drama programs, or other programs, the impression I have had has been that everyone was in agreement that the professional standards were excellent. The only criticism was in the choice of the plays, which some liked and others disliked. Some found them either too morbid or too light, depending on their tastes.

This is a new criticism, as far as I am concerned. I would like to have Mr. Hallman comment on this. It is his area of responsibility to assess the work of programs and he may have something to say about it.

Mr. SMITH (*Calgary South*): Before the comments, I would like to ask him to comment on this as well. Earlier in the committee, Mr. Hallman, we discussed the training of many people in Canada who have performed in the corporation and the way in which we have lost them to American networks, and some to Great Britain. It was suggested that this trend from the source of supply of talent has caused one of the problems. We create many of these people, they become stars, they become professional in their particular field of action, and we lose them. This I can understand, but it seems to me that in this field also we lose because we are not paying them in proportion to their particular talent. I realize the difficulty of competing with larger American stations. Would you comment on that?

Mr. HALLMAN: I would first like to reiterate what the president has said about the quality and calibre in production, in direction and in performance. In regard to your remark about the fact that a good deal of talent in the director field and in the performing field has been attracted abroad, it has become part of an international community of both directors and performers. I am not as pessimistic at all about what seems at first glance to be a loss of talent. We have discovered in the past ten years, particularly in the post-war period, that it is possible now for Canadian performers of that calibre we have been able to assist in developing, to work in Hollywood, New York, Toronto and London, and still be Canadians, and embark on that international career. This is true also of direction, not simply of performance. What is taking place is a constant shuttling of people from, say, the Toronto area—certainly, a number of top-notch people have gravitated there from across Canada, they have also performed in New York, and they perform either in syndicated or live production out of Hollywood, and they may do programs in London as well. I do not think it seems to coincide with the designation of them as a rather amateur group. It may be that in the particular



vehicle, or the particular program to which you refer, the casting was not one which coincided with your particular choice for that show.

Mr. SMITH (*Calgary South*): I would hope that that was not my criticism. Also, I do not attempt to try to decide whether a particular actor or actress is good, bad or indifferent, since this is open to opinion to a very large degree. However, I have here one of a number of comments from various actors or actresses who maintain that they have been unable to keep up a standard of living by working in Canada. I mention in this case Miss King, in relation to her earnings with the C.B.C. It occurs to me that if we are losing talent, there should be some attempt to pay prices which are competitive with those offered abroad, and thus retain some of them within Canada.

Mr. HALLMAN: I think we have discussed this matter—and perhaps Mr. Pratt might join on this.

Mr. SMITH (*Calgary South*): I hope he will.

Mr. HALLMAN: There is a group of performers who are talented but for whom there is a marginal occupation and they manage to make a livelihood.

Mr. McGRATH: It is an occupational hazard.

Mr. HALLMAN: Yes, it is an occupational hazard. This is a free enterprise society. They live on the edge of selling a particular skill to a particular producer or director, or a particular vehicle here or somewhere else. I do not think this is anything we can radically modify unless we were to adopt in this country a large scale repertory approach to the support of the arts. That is quite a different policy from the one on which we have embarked.

Mr. PRATT: I agree with everything which has been said as to the calibre of Canadian talent. I think there is no better talent in the world, and Hollywood would be a very sad place if it were not for the great number of Canadians who have made a success there. We all know that a great many C.B.C. directors and actors have gone to Europe and they have done very well. Nevertheless, I think I understand what Mr. Smith is driving at. There does seem to be, in a great many Canadian shows, an air of lack of assurance on the part of the cast. I was wondering whether it is not due to the fact that these are live shows whereas a great many of the American shows are prerecorded, and the cast is a lot more confident when they shoot these stories scene by scene than they are when they have to run sixty minutes with the complete script memorized.

In the live productions they do seem to have an unhappy atmosphere; they are not quite sure of what they are going to say next. This seems to affect the dramatic quality of their work. You can almost spot a Canadian C.B.C. television show as soon as you walk into the room. It does not have the sharp, critical and clear quality of an American production. On the other hand, the content is so much higher and the stories are much better.

Mr. HALLMAN: There are two points here. Most of their drama productions are prerecorded, while ours are prerecorded on tape as live productions.

Mr. PRATT: That is the same mental hazard to the actor.

Mr. HALLMAN: There is an occasional start and stop. There are arguments on the side of sustained performance right through where you adopt a particular posture in a part and hold it right through the production. The other is a cinematic or film approach to the presentation of drama which we have not adapted or are sure we could afford. It is a sign of luxury which is possible on a thin script where you can set up a three-day production schedule and drive it through. We spent a good deal of time on this sort of thing in dry rehearsal, working up to a single live performance even though it is put



on tape. I would be interested, however, in comparing the kind of sense of uncertainty that you detect.

Mr. PRATT: For instance, in *I Love Lucy* there is a professional touch to it.

Mr. OUIMET: We understand now completely what you mean. When I was talking previously I was speaking about "Festival", "General Motors Presents" and other such original drama series. What you are talking about is Hollywood syndicated films. If we could afford to put things on film, we could probably achieve the same thing, but the cost of these things is much higher than we can spend for half an hour. They are very costly.

Mr. HALLMAN: The other thing is that in *I Love Lucy* or in a syndicated film you have a stock situation, characters who have played their part for 36 weeks or three years or whatever the time is. You are working with a consistent and very narrow range of production values. In the case of the "Festival" series or the "General Motors" series, this is anthology, you are developing a brand new production each week, and each show has to be built to that.

Mr. PRATT: Comparing live shows in Canada with live shows in New York, do our actors get as much rehearsal time as the Americans, because even in the live shows there seems to be a certain sleekness to the New York production which unhappily is too often missing from the Canadian shows—and this is not to detract from the quality of the actors.

Mr. OUIMET: When did you last see on T.V. a New York-produced play?

Mr. PRATT: Not recently.

Mr. OUIMET: They do not make them any more. There is only one play series left in the United States—the "Play of the Week". The others have been replaced by westerns, "*I Love Lucy*", and situation comedies.

Mr. PRATT: My original comparison was between prerecorded American shows—but as a second thought there are live shows coming out and we do not see many. Mr. Smith was speaking of live Canadian shows and comparing them to American shows.

Mr. McGRATH: My question has to do with the commercial aspects of programming, but before I pose my own question, Mr. Fisher had to leave unexpectedly and he asked me to put a question regarding the use of television in education. His question was: why has not television been utilized in Canada to the same extent as radio with regard to the curriculum of schools?

Mr. OUIMET: Because of costs. But I will let Mr. Hallman expand on this because there was a national educational conference just about ten days ago with which he was associated.

Mr. HALLMAN: This is a very large subject; but to put it very briefly, the essential hold-up is on a much more broad scale development in educational television—and that term needs definition in itself. First there is school telecasting directed to the curriculum, whether primary, secondary or whatever. Then there is the area of adult education, in conjunction with a number of organizations in the community, including universities. We have conducted, since 1954, a number of TV experiments with various departments of education under the direction of the national advisory council on school broadcasting, which is made up of appointees from all provinces except for the province of Quebec—provincial departments of education. It has, as I say, been an experimental series evaluated by the teachers themselves, evaluated by research and statistics in our own area, and there is a good deal of evidence of success here. There is still, however, the whole question of the comparative costs. Where direct costs, talent, script, and production in terms of a director were very

small in radio, in the case of television the staging, design, technical costs and distribution is enormously higher. As education is a provincial matter, to assure the provinces of control and supervision, it has been essential for them to pay the direct costs. They are in control of the content. In the case of television, the direct costs are very high for them to get into and the corporation until now has been absorbing all indirect costs.

To go beyond the experimental stage this year, we plan to do two half hours a week for a period of 26 weeks during the winter season. We cannot go much beyond the community and its readiness at the provincial level to support financially and with professional people their involvement in educational or school television. We have been fortunate, I think, in the past six months to have the Ford foundation in the United States make it possible for a number of Canadian educators to visit the United States and the United Kingdom examining how educational broadcasting is fitting in there. They brought this knowledge and this background to a conference in Toronto which was attended by the provinces. I think there were six deputy ministers, about 125 in attendance, partly financed by the Ford foundation, educators right across the country, people from industry, from private stations, from the set manufacturers, trying to formulate public policy in this particular important field. I think we have a long way to go yet. This was a chance to crystallize a few ideas and a few policy developments.

Mr. PRATT: Supplementary to that, I wonder if we could have any information as to any plans in the offing in regard to educational channels as was recently rumoured in Montreal?

Mr. OUIMET: I believe the B.B.G. would be the authority to give you the information.

Mr. PRATT: It has not got past that stage?

Mr. MCGRATH: Mr. Chairman, I just want to say, before I get into my own question, that some C.B.C. television affiliates some have been doing very excellent work in this field of education.

My question has to do with rates, T.V. rates particularly, with regard to those areas that now have second channels.

Mr. McCLEAVE: Are we not still on programming and going on to sales policies later?

The CHAIRMAN: We were going to examine the whole of them together, programs and commercials.

Mr. MCGRATH: If someone has a question on programming, I will defer.

The CHAIRMAN: You might not take very long.

Mr. MCGRATH: I had better be as short as possible. You are now working on your 1960 rate card, is that correct?

Mr. OUIMET: That is right.

Mr. MCGRATH: The 1961 rate card comes into effect in July?

Mr. HALLMAN: Yes.

Mr. MCGRATH: You are selling on your 1960 rate card now? The July 1961 rate cards are not in effect?

Mr. HALLMAN: Except for contracts which might be concluded in the future covering a period beyond July 1.

Mr. MCGRATH: Has your head office in Toronto, with regard to the English network, initiated a policy of frequency discounts in the six areas where we have second channels—in Vancouver, Winnipeg, Toronto, Montreal, Halifax and Ottawa—and do these frequency discounts vary?

Mr. HALLMAN: We have had frequency discounts in all our rate cards, and have had for some time.



Mr. W. R. JOHNSTON (*Coordinator of Sales Policy, Canadian Broadcasting Corporation*): Mr. Chairman, could I inquire, are we talking now about network rate cards or selective rate cards?

Mr. McGRATH: If you mean by selective, local rates.

Mr. JOHNSTON: Individual station rates. We are not talking about network. We have had frequency discounts for a year now in Vancouver and also at CBAFT in Moncton. We do not have them at any other point on individual station cards, and they are not contemplated.

Mr. McGRATH: You do not have frequency discounts in Halifax? I hope we are talking about the same thing. I am thinking of national advertisers buying locally, buying from a local rate card, to project their methods into, say, the Halifax area.

Mr. JOHNSTON: I think it might be useful to the committee to define these different varieties of rates. It is important to understand that. There are two basic categories in rates: network rates on the one hand, rates that an advertiser pays for network facilities when he sponsors programs across the country; the rates he pays when he sponsors a program or spot announcements on an individual station. It is, I understand, specifically the latter category that is usually referred to as selective rate. I gather that is what you are talking about.

Mr. McGRATH: There have been questions raised from time to time within the last six months regarding alleged rate cuttings in the Halifax area and in other areas I believe where the second channels have gone on the air. If you will recall, sir, I asked you a question.

Mr. HALLMAN: There have not been any.

Mr. McGRATH: Would you give us the frequency discounts on CBHT?

Mr. JOHNSTON: They are selective cards. I should have made this point. For the moment I was thinking in terms of the spot announcement business. There are frequency discounts which have been established for a number of years for programs for 26, 52 and 104 occasions. This is quite a usual thing in the industry. The discounts are 5, 10 and 15 per cent, in that order. That is a straight frequency discount based on the number of programs that are sponsored within a year. In the case of the spot announcement business, we do not have frequency discounts of any kind in Halifax with the exception of announcements that are scheduled in what we call class "C" time, and there again we have something that is quite common to the industry, what we call the class "C" package plan, and the rates vary here, depending on the number per week and the number of weeks in which the announcement is scheduled.

Mr. McGRATH: Has your national television selective sales division, at your local sales division in Toronto I believe, recommended new frequency discounts for Halifax?

Mr. JOHNSTON: The recommendations at the moment are coming in from our various locations across the country, and at the present time they have not been studied, they have not been resolved, and I really cannot comment on that question.

Mr. OUMET: I do not know myself of any such recommendation, Mr. McGrath.

Mr. McCLEAVE: Is it not true they have to come into effect on July 1? You say you do not know, but perhaps the other witness knows. The review comes in, but not necessarily the application of the selective card.

Mr. HALLMAN: There is a rate production for any existing type.

Mr. JOHNSTON: If I may, Mr. Chairman, we normally review our rates, both network and selective, on July 1 of each year. At this moment, this review, with respect to selective rates, has not yet been completed.



Mr. OUMET: Mr. McGrath, may I just ascertain one point? I do not think we are talking about the same thing, and that has happened before. Maybe we could save time by defining our terms. Are you thinking of the so-called retail rates, and the charge that the corporation had reduced its rates in a number of markets because of the competition of the second station? Is that what you are speaking of?

Mr. MCGRATH: That is precisely what I had in mind.

Mr. OUMET: This is the question of local retail rates; it is not the question of frequency discounts on the networks, or that sort of thing.

Mr. MCGRATH: How can you divorce the two? We are talking about selective rates which have been defined as local rates. Frequency discounts are accepted practice in the corporation, as you know.

Mr. OUMET: I agree. I do not say we do not have frequency discounts. We have had them for many years. But I think that your question is whether we have cut the rates in Halifax or in other locations, and I believe this question was asked before, and you would like to explore it further. This is what is called the retail rate versus the national selective.

Mr. MCGRATH: Just a minute; would you please define once again the difference between your retail rate and your national selective rate which, as I understand, is your local rate?

Mr. JOHNSTON: Mr. Chairman, I have not defined that yet. I made the point earlier that there are two broad categories of rates—network rates on the one hand and selective rates on the other. Selective rates are those given to business placed on individual stations rather than on the network. In turn—and I am not talking of our own stations alone but radio stations and T.V. stations generally—some stations break down their selective rates into two kinds, national selective rates on the one hand and local retail rates on the other. We have done that, as the committee was informed earlier, as long ago as 1957 in Vancouver, and 1958 in Toronto. We introduced this in Halifax in September of last year and as of January 1 in Montreal and Ottawa.

Mr. McCLEAVE: You say these discounts apply in other places than Halifax?

Mr. JOHNSTON: We have local retail rates in the other cities I mentioned.

Mr. McCLEAVE: No, the national selective rates.

Mr. JOHNSTON: Every station has a national selective rate which applies to national business.

Mr. McCLEAVE: But do the discounts on it apply to all the cities or to other second stations across Canada, not just to my own city of Halifax?

Mr. JOHNSTON: I am puzzled to know what discounts you are referring to here, the frequency discounts Mr. McGrath was speaking of?

Mr. McCLEAVE: That is right, discounts that are raised from 5 per cent, up, depending on the number of times the advertisement is used.

Mr. JOHNSTON: That is right. I should make the point with respect to local retail rates that have been established. These stations I mentioned refer only to announcement business. We have not established the local retail rates for the sponsored program business because quite frankly we have not found any large demand on the part of the local retailers to sponsor programs. This is a little bit too expensive for their budgets.

Mr. McCLEAVE: This is your national advertising on the local basis I am talking about, and I thought Mr. McGrath was talking about that too, not the local sales.

Mr. JOHNSTON: I understood Mr. McGrath was speaking about the local retail business.

Mr. McGRATH: That is right. You answered my question on selective rates.

Mr. JOHNSTON: On national selective rates there are frequently discounts on programs. There are no frequency discounts on spot announcements with the exception of class "C" time, or what we call the class "C" package plan. In the case of local retail rates there are no local retail rates on programs, and again in the case of Halifax there are no frequency discounts on spot announcement rates except in the class "C" package plan.

Mr. SMITH (*Calgary South*): Does your salesman understand this?

Mr. JOHNSTON: I agree it is complicated.

Mr. McCLEAVE: We are going to have to read our own questions and your answers to know what we are talking about. Could I put the question to the witness this way? There is no difference in your treatment of the competition in Halifax with competition in other second T.V. stations in cities across Canada, is that correct?

Mr. JOHNSTON: I am puzzled to know what you mean by our treatment of second stations.

Mr. McCLEAVE: You use the same techniques of discounts all across Canada?

Mr. OUMET: Mr. McCleave, Finlay Macdonald is one of our best friends—I do not know why we should have any special treatment for him.

Mr. McGRATH: You said it; I did not say it.

I have one further question, sir. Have you had increases—again we are getting into definitions—in your sales personnel in Halifax, Montreal, Toronto, Winnipeg, Vancouver and Ottawa in the last year, and have they been substantial?

Mr. JOHNSTON: Since my area most specifically is concerned with the field of rates, could I turn that question over to Mr. Shugg?

Mr. J. W. SHUGG (*Director of Sales Policy and Planning, Canadian Broadcasting Corporation*): Some increase.

Mr. McGRATH: You will have to do a little better.

Mr. SHUGG: Did you not say "material increase"?

Mr. GRATH: No, sir, increases in the number of sales personnel in Halifax, Montreal, Toronto, Vancouver, Winnipeg and Ottawa?

Mr. SHUGG: No, I cannot give you the exact number, but when you consider the fact that there is something like 55 salesmen for the whole system, there have been some replacements because of raiding by various stations.

Mr. McGRATH: I am not talking about salesmen for the whole system. I am asking you six questions. Let me ask you one: has there been an increase in the sales staff in Halifax for the last year, and if so, how many?

Mr. OUMET: If there was any need to increase our sales effectiveness in Halifax, I am sure we would have taken care of it by hiring a salesman.

Mr. McGRATH: The committee would like to know how many.

Mr. OUMET: We do not seem to have this information.

Mr. GRATH: To make it quite clear, I do not want a document tabled on this—an oral answer will suffice.

Mr. SHUGG: I do not think more than five or six salesmen have been added in the last year across Canada, across the whole system including those points you mentioned.

Mr. McGRATH: From that one can gather that the corporation is not experiencing too much competition from second stations.



Mr. SHUGG: Yes, we have experienced competition, but we had a fairly full staff before competition from second stations, and as a matter of fact this is one of the things which may interest you. When I rejoined the corporation a year ago I did a one-man parliamentary committee, if you like, because it was my job in the policy area to investigate and look into this very thing. I was rather pleasantly surprised to find that the salesmen coming out of monopoly situation, if you like, and into a highly competitive situation, were pretty fair calibre, as the competition has been finding, and this is one of the reasons why I suggest to you that it has not been necessary to add great numbers of sales staff, as you seem to be suggesting.

Mr. McGRATH: That is true of the whole corporation, Mr. Chairman. Nobody is questioning the calibre of the people who staff the C.B.C.

Mr. SMITH (*Calgary South*): Can we find out what this gentleman's job is?

Mr. SHUGG: I will be glad to tell you. I am director of sales policy and planning.

Mr. McGRATH: Could you answer my final question. Do you pay your salesmen on a commission basis? You did not when we examined you in 1959.

Mr. SHUGG: A compensation plan is being examined.

Mr. McGRATH: You have a sales incentive plan?

Mr. SHUGG: No incentive, we are on salary.

Mr. McGRATH: Have you quotas for your salesmen?

Mr. SHUGG: Yes, each of the sales managers in the various sales areas has a type of sales quota operation so that he can keep track of his salesmen.

Mr. OUMET: Mr. McGrath, Mr. Shugg mentioned, and I do not think you heard this, that he was chairman of a committee studying some method of developing an incentive plan, but it is very difficult to develop within the general framework of our salary structure in the corporation.

Mr. McGRATH: The committee is pleased to note that the sales division is obviously in good hands.

Mr. SMITH (*Calgary South*): He also said that there are no commissioned salesmen. You are on salary?

Mr. SHUGG: There are no commissioned salesmen. There is a part-time salesman at Sydney and I believe one at Chicoutimi, one or two.

Mr. CREAGHAN: Do you have a part-time or a full-time salesman for the French station at Moncton, CBAFT?

Mr. SHUGG: I am sorry, I cannot answer that. Policy is my field, not operations.

Mr. CREAGHAN: Just a moment. The last witness mentioned that CBAFT Moncton was included in some of the stations that had recently brought in some sort of a discount policy, and if so, do you have a part-time or a full-time salesman to cover that station?

Mr. SHUGG: Perhaps the vice-president could answer the question. My understanding is that the salesmen down there go out from Halifax.

Mr. CREAGHAN: Are they bilingual salesmen since the station is entirely French?

Mr. SHUGG: I do not know.

Mr. BRIGGS: The last time I personally looked into this there was a part-time salesman in Sydney and there was a part-time salesman in Moncton. Whether that situation has changed in the last few months, I do not know, but there was a part-time salesman in Moncton.



Mr. CREAGHAN: One further question on the same subject.

Mr. BRIGGS: That was on commission.

Mr. CREAGHAN: Does the local retail type of discount apply to this French station in Moncton?

Mr. JOHNSTON: No, it does not. We do not have a local retail rate at CBAFT Moncton.

Mr. CREAGHAN: Did you not include Moncton when you gave the list a moment ago?

Mr. JOHNSTON: I did not, sir. If I might clarify what I did say earlier referring not to our local rates but to our national selective rates, we have frequency discounts applicable to the spot announcement business at two stations only—Vancouver and CBAFT, Moncton.

Mr. SMITH (*Calgary South*): I wonder if I may ask Mr. Shugg what was his experience prior to taking this position?

Mr. SHUGG: Director of advertising and public relations for the Dairy Farmers of Canada.

Mr. SMITH (*Calgary South*): And what is your title?

Mr. SHUGG: Director of sales policy and planning.

Mr. SMITH (*Calgary South*): Are you responsible for all policy? Who is your immediate superior?

Mr. SHUGG: The vice president of programming, Mr. Hallman.

Mr. SMITH (*Calgary South*): Your duties again, please?

Mr. SHUGG: My duties are to develop, recommend, and after policy has been approved by management, implement it where necessary and then evaluate it after the thing is running.

Mr. SMITH (*Calgary South*): Which thing?

Mr. SHUGG: The policy.

Mr. SMITH (*Calgary South*): I believe you have read the president's statement expressing concern about the programs and commercial revenue?

Mr. SHUGG: Yes.

Mr. SMITH (*Calgary South*): This is naturally a concern which you also share?

Mr. SHUGG: What kind of concern?

Mr. SMITH (*Calgary South*): I do not know. Ask the president, but I am asking the question seriously.

Mr. SHUGG: And I am answering it seriously. Is it concern that they are not up to standard or concern that we do not have enough revenue?

Mr. SMITH (*Calgary South*): Let me ask this: have you any concern about the revenue of the corporation so far as commercial programs are concerned?

Mr. SHUGG: Concern—yes.

Mr. SMITH (*Calgary South*): What is the nature of this concern? Is it possible you are afraid about competition from private stations? Are you worried about competition from private stations?

Mr. SHUGG: I would not say "worried". We have a healthy respect for competition and, as the president has said, in those areas we are able to meet it with full strength, and I think we are doing that. We have some considerable way to go yet in those areas where we can compete.

Mr. SMITH (*Calgary South*): You say you are making a study upon the advisability of introducing some kind of incentive scheme for the sales staff?

Mr. SHUGG: Sales compensation, I call it, not incentive.

Mr. SMITH (*Calgary South*): It amounts to much the same thing. You are not going to forecast whether you are really going to add an incentive of this nature, but this is passing from the fact that you are worried about the drop in commercial revenue?

Mr. OUMET: May I answer the question because this was decided before Mr. Shugg rejoined the staff? For many years we have been thinking of the possibility of developing a different system for paying some of our salemen, though not all of them something other than a straight salary, but it has always been difficult to do so because of the kind of salary structure we have in the corporation. In recent years, possibly two years ago, we looked again at this problem and we simply did not have time to bring it to fruition. We are now having a group study on it.

Mr. SMITH (*Calgary South*): I see.

Mr. OUMET: But it is not entirely due to the advent of competition although, mind you, it has a bearing on it.

Mr. SMITH (*Calgary South*): I see.

Mr. OUMET: It is not the only factor.

Mr. SMITH (*Calgary South*): You do not have the direct responsibility for supervising the sales staff?

Mr. SHUGG: No.

Mr. SMITH (*Calgary South*): May I ask who does that?

Mr. OUMET: The supervision of the sales staff on the English language network is under the responsibility of Mr. Walker, and in the French network it is the responsibility of Mr. Marcel Ouimet, because they are actually two different operations so far as sales go. We are selling different programs.

Mr. McGRATH: Do you have the responsibility of spending the corporation's advertising budget to promote your sales efforts?

Mr. SHUGG: No.

Mr. McGRATH: Just exactly what is your position?

Mr. SHUGG: As I explained—

Mr. McCLEAVE: He has answered that twice previously.

Mr. SMITH (*Calgary South*): I suggest the witness should reply.

Mr. McCLEAVE: I suggest we are getting close to badgering the witness.

Mr. McGRATH: I am asking quite seriously about this. I thought the witness's position was to direct the sales staff, the sales policy of the corporation, and the advertising policy of the corporation in relation to sales.

Mr. OUMET: Will you accept an answer from the person responsible for such things?

Mr. McGRATH: Yes, indeed.

Mr. OUMET: Mr. Shugg is responsible for the study, formulation, and development of policy in the sales area. He submits the results of his studies in the form of recommendations to his boss, Mr. Hallman, and since we are dealing with policy we are also dealing with targets for sales, and these are approved by the management of the corporation. Once they are approved they are communicated by his office through the three lines we have talked about, the French network division, the English network division and the regional broadcasting division. Then it is still Mr. Shugg's responsibility to watch very carefully the operations to make sure they are in line with the policy that has been established. In other words, he has to assess continually the operational results, in this case in the field of sales against the policy, the procedures and the standards established by the corporation. It is the same role as that of Mr. Carter, Mr. Vic. Davies, or any of the staff officers of the corporation.



Mr. PRATT: Could we tie this explanation down to a typical example?

Mr. OUMET: Let us say, for example, there is a problem of rates. Obviously we cannot allow the French network to change its rates up and down because this might have an effect on the English language network, and vice versa, and it may also have an effect on the regional and local rates.

That kind of problem can not be delegated to our operating divisions, and so it is assigned to Mr. Hallman and to the sales policy group headed by Mr. Shugg. They study the problem, look at the prevailing rates, then see what is the practice in other networks and, following a very thorough study, they come up with a recommendation after consultation with the operating officials. They have to consult a number of them because a number of them are involved. After that they come up with the recommendation for a change or, perhaps, a recommendation that no change be made in the rates.

Whatever recommendation they make has to be substantiated and justified. It has to be approved by management, and before management approves it makes sure that all the people concerned have been consulted. Then, when we know the full effect that such a change may have, we approve or disapprove of it. If it is approved it is communicated to the field, where it is put into effect, and we ask Mr. Shugg to make sure that it is being observed and that the operations people are following the new policy. Furthermore we ask him: "will you keep an eye on it and make sure that we have the optimum rates for maximum revenue"?

Mr. PRATT: How many members has Mr. Shugg got on his committee?

Mr. SHUGG: There are 11, including myself and stenographic staff.

Mr. McGRATH: To whom do the stations answer for their sales?

Mr. OUMET: To their bosses, to the managers of the stations and they in turn to the general manager of the division concerned.

Mr. McGRATH: In other words you do not have a general sales manager for the corporation?

Mr. OUMET: No, because it would be impossible, as we have three divisions, three separate divisions.

Mr. McGRATH: Could you not have three separate sales general managers?

Mr. OUMET: We have three separate sales managers.

Mr. McGRATH: One for each division?

Mr. OUMET: One for each division; but they are not located in Ottawa.

Mr. McGRATH: Would it be possible to have Mr. Shugg's responsibilities incorporated into the general responsibilities of the administration of sales? In other words, I am suggesting this is the function of a sales manager.

Mr. OUMET: In industry, where you are selling articles which are decided on long before they are sold, where the exact nature of the articles are predetermined, like when you are selling shoes or tin cans, where you know that each tin can is the same, it is possible to have a sales division which has full authority over all the areas of sales. But when you are selling programs, and Mr. Shugg has no idea of what they are going to be like until they are done, it is not possible for him to give that authority from Ottawa. It has to be done in the various localities where the corporation operates.

Mr. McGRATH: But he is not studying the programs. He is only studying a program as a sales figure to some potential advertiser.

The CHAIRMAN: That is your opinion.

Mr. McGRATH: I think this is bringing out a very important point.

Mr. PRATT: There are a lot of important points. Is this 11-man committee operating 12 months a year?

Mr. OUMET: This is a temporary committee to make recommendations to management on the sales compensation plan.



Mr. PRATT: Then Mr. Shugg will go to some other department?

Mr. OUIMET: Mr. Shugg has many other duties to deal with besides this.

Mr. PRATT: Within the corporation?

Mr. OUIMET: Yes.

Mr. SHUGG: I think there is some confusion in Mr. Pratt's mind.

Mr. PRATT: Do you wonder? You have a committee, and in fact I am very glad to see the corporation has some committees.

Mr. DANFORTH: My question has to do with programming and I should like a direction from the chair as to whether it is in order. I should like to direct a question to Mr. Ouimet regarding the operation and modification of a specific program, Would that be in order?

The CHAIRMAN: Yes, if you can get in under the wire.

Mr. DANFORTH: It will be a short question and will require only a short answer. My question deals with the field of agricultural broadcasts. There are very many fine agricultural broadcasts produced by the C.B.C., but I speak of one specific broadcast which is transmitted through C.B.E. Windsor. It is the daily broadcast of farm market quotations and announcements pertaining to farm meetings. I maintain the effect of the entire broadcast is nullified by the fact that in the centre of the half hour broadcast is inserted what might be termed a serial, called The Craig Family. This seems to me to be defeating the purposes of the program. The broadcast is produced at a good time. It contains pertinent information to busy farming people and it contains pertinent announcements regarding farm work and scientific advancement.

I am asking that consideration be given to changing this serial to some other time, as many of the farmers in my area are busy people and cannot waste their time listening to it.

Mr. OUIMET: This is something we shall look into, Mr. Danforth. Frankly, I had not heard this opinion previously.

Mr. SMITH (*Calgary South*): It is one of many.

Mr. OUIMET: Generally speaking the purpose of having sketches—I think they are called soap operas—in broadcasts such as this is to develop interest in the overall broadcasts.

Mr. DANFORTH: May I suggest in this instance it is just having the very reverse effect on the people mainly interested in hearing market reports?

Mr. OUIMET: Perhaps there may be a difference in conditions in the Windsor area as compared to other locations. I shall try to look into this.

Mr. DANFORTH: Would it be possible to modify it, if it could be done? A lot of good work is put into the broadcast. It is an excellent presentation but it is hampered by this insert.

Mr. OUIMET: We shall look into the matter.

The CHAIRMAN: On that very happy note, I think it is time to say we have dealt pretty exhaustively with the work of the C.B.C. The committee has made a tentative arrangement to re-examine the C.B.C. on the documents that were presented late yesterday afternoon, and if it is within the competence of the steering committee we shall try to arrange a special meeting next week in the evening, or some time when the president is available, in order to polish off that particular problem. The next regular meeting will be, as suggested, on Tuesday morning when we shall deal with the B.B.G.

Mr. SMITH (*Calgary South*): Just in case it is not possible to arrange a further meeting, I am sure the committee would like to thank Mr. Ouimet for the very able way he has presented his evidence, and I am sure we appreciate the time and effort his colleagues put into it.

The CHAIRMAN: I second that.

The committee adjourned.

## APPENDIX "A"

## CANADIAN BROADCASTING CORPORATION

## ANALYSIS OF COST OF PROGRAMS

*Year ended March 31, 1960*

(In thousands of dollars)

Performing fees.....	\$ 12,951
(Musicians; actors, speakers; commentators; interviewers; singers; dancers; panelists; commercial announcers; coaches; advisors; freelance cameramen and film producers)	
Manuscripts and plays; copyrights; music and performing rights.....	3,623
Film rights for syndicated and feature films; shorts and clips.....	7,313
Program Production.....	13,181
(Salaries and expenses of producers; script and production assistants; staff announcers; co-ordinators; editors; staff cameramen and photographers, etc.)	
Technical Services.....	10,143
(Technical directors; camera operators; video, audio, lighting and maintenance technicians)	
Other Production Expenses.....	10,679
(Design and staging services; rental of halls, properties, draperies, costumes and staging supplies; salaries and expenses of set designers, graphic artists, make-up and costume personnel; stagehands; painters, carpenters)	
	<u>\$ 57,890</u>

May 31, 1961.

## APPENDIX "B"

## CANADIAN BROADCASTING CORPORATION

## GROSS ADVERTISING REVENUES FOR THE YEAR ENDED MARCH 31, 1961

(In thousands of dollars)

Station time.....	\$ 16,019
Spot announcements.....	8,095
Network distribution.....	2,769
Program content.....	9,865
Advertising messages.....	674
Export Sales.....	180
Total advertising revenues.....	<u>\$ 37,602</u>

NOTE: The above figures include \$3,671,000 derived from programs originating in U.S.A. and fed to the CBC under the terms of affiliation agreements with U.S. networks.

June 5, 1961.

APPENDIX "C"

CANADIAN BROADCASTING CORPORATION

OPERATING COSTS OF RADIO AND TELEVISION SERVICES IN ENGLISH AND  
FRENCH LANGUAGES

*Year ended March 31, 1961*

(In \$ thousands)

	French	English	Together
	\$	\$	\$
RADIO SERVICE			
Expenditures net of depreciation.....	4,379	15,027	19,406
Gross advertising revenues.....	724	1,556	2,280
TELEVISION SERVICE			
Expenditures net of depreciation.....	25,878	51,731	77,609
Gross advertising revenues.....	9,898	25,424	35,322

June 2, 1961.



## APPENDIX "D"

CANADIAN BROADCASTING CORPORATION  
HISTORY OF PARLIAMENTARY LOANS AND REPAYMENTS

Year	Loan 1 Radio	Loan 2 Radio	Loan 3 Capital Works	Loan 4 Capital Works	Loan 5 Television	Loan 6 Working Capital	Loan 7 Television Capital	Loan 8 Television Capital	Loan 9 Television Capital	Loan 10 Television Capital	Loan 11 Television Capital	Balance of Loans Outstanding March 31
1937-8	Loan under Section 17 Can. Broadcasting Act.	\$ 500,000										\$ 500,000
1938-9	Repayment.	(50,000)										1938 450,000
1939-40	Loan under Appropriation Act No. 3 1939 vote 664.											1939 450,000
1940-41	Repayment.	(330,000)										1940 1,150,000
1941-42	Repayment.	(100,000)										1941 788,150
1942-43	Repayment.											1942 788,150
1943-44	Loan under Appropriation Act No. 6 1946 vote 665.											1943 503,399
1944-45	Repayment.	(800)										1944 503,399
1945-46	Repayment.											1945 503,399
1946-47	Loan under Appropriation Act No. 4 1948 " 820.											1946 2,000,000
1947-48	Repayment.											1947 2,000,000
1948-49	Repayment.											1948 2,000,000
1949-50	Repayment.											1949 3,250,000
1950-51	Repayment.											1950 7,750,000
1951-52	Repayment.											1951 8,400,000
1952-53	Loan under Appropriation Act No. 4 1953 vote 819.											1952 9,250,000
1953-54	Repayment.											1953 11,250,000
1954-55	Repayment.											1954 16,000,000
1955-56	Repayment.											1955 19,000,000
1956-57	Repayment.											1956 27,423,802
1957-58	Repayment.											1957 27,285,789
	Balance of Loans outstanding.		1,765,020	1,180,736	4,500,000		1,386,842	1,950,000	4,750,000	3,000,000	8,500,000	1958 *27,033,298

\* Note: Section 39 of the Broadcasting Act 1958, which came into force on November 10, 1958 provides as follows:

(1) Upon the coming into force of this Act the Canadian Broadcasting Corporation shall pay to the Receiver General of Canada such part of the working capital of the Corporation as the Minister of Finance determines to be in excess of six million dollars, to be applied in reduction of the indebtedness of the Corporation to Her Majesty in respect of loans made by or on behalf of Her Majesty to the Corporation, and the remainder of such indebtedness is hereby extinguished.

(2) The amount of the indebtedness extinguished by virtue of subsection (1) and the amount of the capital surplus of the Corporation at the coming into force of this Act as determined by the Minister of Finance shall be credited to the Proprietor's Equity Account in the books of the Corporation.

In accordance with these provisions the amount of the loans thus extinguished was credited to Proprietor's Equity Account in the books of the Corporation where it represented the investment of Parliament in the Corporation as at November 10, 1958.

June 2, 1961

## APPENDIX "E"

## CANADIAN BROADCASTING CORPORATION

## NUMBER OF ORIGINAL CBC TELEVISION PRODUCTIONS DURING THE YEAR 1959/60

	Number of Productions	Production Cost \$
1. By Production Center		
Halifax.....	1,659	1,414,689
Montreal.....	7,003	15,330,228
Ottawa.....	1,795	1,236,238
Toronto.....	3,955	11,909,371
Winnipeg.....	1,491	1,391,920
Vancouver.....	1,851	1,859,038
Total.....	17,754	33,141,484
2. By Categories of Cost		
Under \$10,000.....	17,031	
Between \$10,000 and \$20,000.....	495	
"    \$20,000 and \$30,000.....	60	
"    \$30,000 and \$50,000.....	60	
"    \$50,000 and \$75,000.....	5	
"    \$75,000 abd \$100,000.....	1	
Over \$100,000.....	3	
Total.....	17,754	

June 2, 1961

## APPENDIX "F"

## CANADIAN BROADCASTING CORPORATION

## ANNUAL BASIC TV NETWORK COSTS BY PROVINCES

Province	Cost
Newfoundland.....	\$ 228,322
Prince Edward Island.....	52,008
Nova Scotia.....	220,926
New Brunswick.....	191,952
Quebec.....	596,766
Ontario.....	1,171,899
Manitoba.....	107,694
Saskatchewan.....	575,442
Alberta.....	401,661
British Columbia.....	446,610

Ottawa, June 1, 1961.

## APPENDIX "G"

## CANADIAN BROADCASTING CORPORATION

## TV PROGRAM PRODUCTION COSTS—"DON MESSER SHOW"

Performers' fees.....	\$ 2,540
Scripts.....	—
Other expense (including performing and music rights; rental of halls; properties, etc.)	106
Program production (including producers; script and production assistants; announcers; co-ordinators, etc.).....	935
Technical operations (including technical directors; camera operators; video, audio, lighting and maintenance technicians, etc.).....	1,157
Design and staging (including set designers; graphic artists; make-up; costumes; stagehands; painters, carpenters, etc.).....	900
Program Production Cost.....	<u>\$ 5,638</u>

Duration of program—half-hour.

May 29, 1961.

## APPENDIX "H"

## CANADIAN BROADCASTING CORPORATION

## TV PROGRAM PRODUCTION COSTS—"AU P'TIT CAFÉ"

Performers' fees.....	\$ 1,614
Scripts.....	225
Other expense (including performing and music rights, rental of halls, properties, etc.)	627
Program production (including producers, script and production assistants, announcers, co-ordinators, etc.).....	991
Technical operations (including technical directors, camera operators, video, audio, lighting and maintenance technicians, etc.).....	1,664
Design and staging (including set designers, graphic artists, make-up, costumes, stagehands, painters, carpenters, etc.).....	4,055
Program Production Cost.....	<u>\$ 9,176</u>

Duration of program—half-hour.

May 29, 1961.



## APPENDIX "I"

## RATES TO PERFORMERS (EXCLUDING MUSICIANS)

## IN NETWORK TELEVISION IN THE UNITED STATES OF AMERICA

## NOTE:

- 1) These rates are negotiated by the American Federation of Television and Radio Artists (AFTRA).
- 2) The three major American networks (NBC, CBS and ABC) are signatories to the AFTRA Code.
- 3) The Collective Bargaining Agreement associated with the Code covers live network television programs originating in New York, Chicago, Los Angeles and Washington, D.C.; recorded programs used to supplement live broadcasts, film sequences made especially for the entertainment portion of a live program and any other program produced or recorded under certain terms for recorded programs set out in the AFTRA Code.
- 4) By definition in the Code a network television program is one which is broadcast over two or more television stations in the United States, its territories and possessions, the Philippines and Canada, except programs broadcast on regional networks which may be established similarly to the regional networks at present existing in radio, as provided in the AFTRA Code.

## RATES

## PROGRAM FEES FOR PRINCIPAL PERFORMERS

(Performers who speak more than five lines; singing and dancing soloists and duos; announcers-on-camera regardless of lines.)

Program of	Performer	Announcer
15 minutes or less		
Fee.....	\$87	\$93
Included Rehearsal Hours.....	3	3
Over 15 to 30 minutes		
Fee.....	\$155	
Included Rehearsal Hours.....	10	7
Over 30 to 60 minutes		
Fee.....	210	
Included Rehearsal Hours.....	18	12
Over 60 to 90 minutes		
Fee.....	265	
Included Rehearsal Hours.....	26	17
Over 90 to 120 minutes		
Fee.....	320	
Included Rehearsal Hours.....	34	22
Extra Rehearsal: \$6.75 an hour.		

## DRAMATIC SHOWS—MULTIPLE PERFORMANCES

(Program fees for multiple performances in one calendar week; schedule applicable to performers (excluding announcers) on dramatic shows; restricted to performances in the same show each day within the calendar week.)

Performances per week—in program of	1	2	3	4	5
15 minutes or less					
Fee.....		\$87	\$714	\$265	\$335
Included Rehearsal Hours.....	3	7	11	15	19
Over 15 to 30 minutes					
Fee.....		155	310	398	498
Included Rehearsal Hours.....	10	16	22	28	34
Over 30 to 60 minutes					
Fee.....		210	420	539	674
Included Rehearsal Hours.....	18	22	28	32	38
Over 60 to 90 minutes					
Fee.....		265	530	681	850
Included Rehearsal Hours.....	26	28	34	36	40
Over 90 to 120 minutes					
Fee.....		320	640	821	1,027
Included Rehearsal Hours.....	34	36	40	40	40

Extra Rehearsal: \$6.75 an hour.

## PERFORMERS ON OTHER SHOWS; ANNOUNCERS—MULTIPLE PERFORMANCES

(Program fees for multiple performances in one calendar week; schedule restricted to performers on shows other than those covered under the preceding paragraph, and to announcers-on-camera; restricted to performers in the same show each day within the calendar week.)

Performances per week—in program of	1	2	3	4	5
15 minutes or less					
Fee, Announcers.....		\$ 93	\$172	\$239	\$291
Fee, Other Performers.....		87			
Included Rehearsal Hours.....	3	7	11	15	19
Over 15 to 30 minutes					
Fee.....		155	291	331	364
Included Rehearsal Hours.....	10	16	22	28	34
Over 30 to 60 minutes					
Fee.....		210	336	384	457
Included Rehearsal Hours.....	18	22	28	32	38
Over 60 to 90 minutes					
Fee.....		265	381	437	550
Included Rehearsal Hours.....	26	28	34	36	40
Over 90 to 120 minutes					
Fee.....		320	426	490	643
Included Rehearsal Hours.....	34	36	40	40	40

Extra Rehearsal: \$6.75 an hour.

## SPECIAL COMMITTEE

## NEWS SHOWS—6TH OR 7TH PERFORMANCE

In the case of news shows only, in addition to the provisions of the preceding paragraph, the following may be applied to the sixth or seventh performance in one calendar week of a news announcer and announcer-on-camera thereon:

		Program Length									
		15 min.		30 min.		60 min.		90 min.		120 min.	
		Fee	Hours	Fee	Hours	Fee	Hours	Fee	Hours	Fee	Hours
6th		\$371	23	\$430	40	\$603	40	\$776	40	\$ 949	40
7th		411	27	463	40	676	40	899	40	1102	40

Extra Rehearsal: \$6.75 an hour.

## PROGRAM FEES FOR PERFORMERS WHO SPEAK FIVE LINES OR LESS

Length of Program	Fee	Incl. Reh. Hrs.
15 minutes or less.....	\$ 61.50	3
over 15 to 30 minutes.....	77.50	5
over 30 to 60 minutes.....	93.00	8
over 60 to 90 minutes.....	108.50	10
over 90 to 120 minutes.....	124.00	12

Extra Rehearsal: \$6.75 an hour

Rehearsal on two days or less, one to be show day, for shows over 30 minutes.

Rehearsal on show day only, for shows up to 30 minutes.

## COMMERCIAL PERFORMERS

Announcers and other Performers delivering or participating in delivery of commercial announcements (as program announcements, hitch-hikes, cow-catchers, out-ins or otherwise); these rates are applicable only to services which are broadcast as "live" performances.

## Rate per Announcement

- (1) Single separate announcement or one single announcement in show:

	Fee	Incl. Reh. Hrs.
ON-camera.....	\$93	3
OFF-camera.....	67	2

- (2) Single hitch-hike or cow-catcher:

Per announcement..... \$67.50

- (3) Single cut-in:

Per announcement..... \$61.50

## Program Fees—Announcers-off-Camera (Voice Over)

Length of Program	Fee	Incl. Reh. Hrs.
(1) (More than 10 lines)		
15 minutes or less.....	\$ 67	2
over 15 to 30 minutes.....	111	3
over 30 to 60 minutes.....	155	4
over 60 to 90 minutes.....	199	5
over 90 to 120 minutes.....	243	6

In all cases, the rate for delivering or participating in delivery of a commercial announcement (regardless of line count) is that set forth in sub par. (1), and such services are excluded from services covered in sub-par. (2); included in services covered by sub-par. (2) are such services as openings and closings, lead-ins and lead-outs, bill-boards, promotional or public service announcements, so long as the aggregate line count is 10 or less.



COMMERCIAL PERFORMERS—*Concluded*

Length of Program                      Fee              Incl. Reh. Hrs.

15 minutes or less.....	\$ 67	2
over 15 to 30 minutes.....	77.50	3
over 30 to 60 minutes.....	93	4
over 60 to 90 minutes.....	108.50	5
over 90 to 120 minutes.....	124	6

## (3) Multiple Performances in One Calendar Week, Same Show

- 2 performances per week at  $1\frac{1}{2}$  times the single rate  
 3 performances per week at  $2\frac{1}{4}$  times the single rate  
 4 performances per week at  $2\frac{3}{4}$  times the single rate  
 5 performances per week at 3 times the single rate

*Extra Rehearsal:* \$6.75 an hour.

## CHORUSES

(Soloists and Duos receive principal performers' scale)

*Chorus Dancers**Fee for Program of:*

No. of Performers in Group	15 min. or less	over 15 to 30 min.	over 30 to 60 min.	over 60 to 90 min.	over 90 to 120 min.
3.....	\$99	\$136	\$167	\$198	\$229
4.....	96	134	164	194	224
5.....	94	131	162	193	224
6.....	91.50	129	160	191	222
7.....	89	127	157	187	217
8 or more.....	87	124	155	186	217
Incl. Reh. Hrs.....	9	20	32	37	40

*Extra Rehearsal:* \$5.00 an hour

- (1) Rehearsal must be within the following number of consecutive days, one day of which is the day of broadcast:

Program of: 15 minutes or less.....	within 3 days
over 15 to 30 minutes.....	within 5 days
over 30 to 60 minutes.....	within 6 days
over 60 to 90 minutes.....	within 7 days
over 90 to 120 minutes.....	within 8 days

- (2) No principal performer or member of a specialty act shall be considered as a member of a dancers' group in determining the appropriate chorus rate. Producer recognizes that under certain circumstances part of a group (engaged as a larger group) may be entitled, by the nature of their performance, to payment as a smaller group or as principal performers.

- (3) In no event shall any dancer be asked or assigned to rehearse on concrete, cement, stone or similar surfaces (unless covered by resilient material) except on 'camera day' when the requirements of other broadcasting equipment makes use of such non-resilient surfaces unavoidable.

*Chorus Singers (On or Off Camera)**Fee for Program of:*

No. of Performers in Group	15 min. or less	over 15 to 30 min.	over 30 to 60 min.	over 60 to 90 min.	over 90 to 120 min.
3.....	\$66.50	\$85.50	\$104.00	\$122.50	\$141.00
4.....	64.50	83.00	102.00	121.00	140.00
5.....	62.00	81.00	99.50	118.00	136.50
6.....	60.00	78.50	97.50	116.50	135.00
7.....	58.00	76.50	95.00	113.50	132.00
8 or more.....	55.50	74.50	93.00	111.50	130.00
Included Rehearsal Hours..	3	5	8	10	13

*Extra Rehearsal:* \$5.00 an hour.

CHORUSES—*Concluded*

- (1) Rehearsal must be within the following number of consecutive days, one day of which is the day of broadcast:

Program of: 15 minutes or less.....	within 3 days
over 15 to 30 minutes.....	within 6 days
over 30 to 60 minutes.....	within 8 days
over 60 to 90 minutes.....	within 10 days
over 90 to 120 minutes.....	within 12 days

- (2) When all required rehearsal is on show day, for Off-Camera Singing Groups only, the above program fees (but not the rehearsal rate) may be discounted by 10%.

*Multiple Performances in One Calendar Week, Same Show*

- 2 performances per week at 1 3/4 times the single rate  
 3 performances per week at 2 1/4 times the single rate  
 4 performances per week at 2 3/4 times the single rate  
 5 performances per week at 3 times the single rate

## SPECIALTY ACTS

1 performer.....	\$248.00	5 performers.....	\$743.00
2 performers.....	371.00	6 performers.....	866.00
3 performers.....	495.00	7 performers.....	990.00
4 performers.....	619.00	8 performers.....	1,114.00

\$124.00 for each additional performer

Above rates include six (6) hours of rehearsal within two (2) days, one of which shall be day of performance.

Extra Rehearsal: \$6.75 an hour.

## SPORTSCASTERS

Sports are divided into two categories:

Class A, which is baseball, football and major boxing.

Class B, which is all other sports

*Sportscasters Fee:*

Class A—

\$275. per event, or

\$750. per week of seven (7) events of the same sport

Class B—

\$205. per event, or

\$475. per week

*Assistant sportscasters and/or color men:*

Class A—

\$175. per event, or

\$475. per week

Class B—

\$150. per event, or

\$310. per week

An event is what a daily ticket of admission buys; a week means any seven consecutive days.

The included rehearsal period for the commercials shall be one hour which must be scheduled within 3 hours immediately preceding the time of broadcast.

Whenever the services of a spotter or spotters are required, the Producer shall engage such spotter, as his own employee, and shall pay for his services, and no deduction therefor shall be made from performer's compensation, whether scale or over-scale.

## WALK-ONS AND EXTRAS

Length of Program	Fee	Incl. Reh. Hrs.
15 minutes or less.....	\$25.00	2
over 15 to 30 minutes.....	43.50	5
over 30 to 60 minutes.....	55.50	8
over 60 to 90 minutes.....	67.50	10
over 90 to 120 minutes.....	79.50	13

Extra Rehearsal: \$4.50 an hour.

Rehearsal on two days or less, one to be show day, for shows over 30 minutes.

Rehearsal on show day only, for shows up to 39 minutes.

## LIVE SIGNATURE NUMBERS

\$49.50 per performer including dress rehearsal.

Extra rehearsal \$4.50 an hour.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61



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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 29

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TUESDAY, JUNE 13, 1961

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WITNESSES:

Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman;  
Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## CORRECTIONS

PAGE 826, in 10th line from top of page, strike out the words "and Le Pas".  
4th paragraph from bottom of page, (Mr. SIMPSON) in second line thereof, strike out "we" and substitute therefor "you". It will then read: At the present time you are planning...

PAGE 828, fourth interjection by Mr. Simpson, from top of page, where probable population for Thomson is mentioned at 4000 people, substitute therefor 10,000;

fifth interjection by Mr. Simpson, opening sentence should read "It will not give us football or other sports."

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.  
TUESDAY, June 13, 1961.

(36)

The Special Committee on Broadcasting met at 9.30 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Messrs. Allmark, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), MacEwan, McGrath, Pickersgill, Pugh, Robichaud, Simpson, Webb—(13).

*In attendance: From the Board of Broadcast Governors:* Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman; Mr. Bernard Goulet, Member; Mr. W. D. Mills, Secretary; Mr. W. C. Pearson, Counsel; Dr. J. A. Dawson, Research Director, Economics; Mr. W. R. Wilson, Technical Advisor.

The proceedings opened with the Chairman reporting on behalf of the Subcommittee on Agenda and Procedure. (*See beginning of Evidence herein-after*).

The Chairman informed the Committee that certain returns still outstanding would be filed sometime today and later this week by the Canadian Broadcasting Corporation, in answer to requests made by several Members.

At the suggestion of Mr. Horner (*Acadia*), it was agreed that these returns be, where feasible, appended to the day to day printed record of the Minutes of Proceedings and Evidence.<sup>1</sup>

Mr. Simpson pointed out certain errors in the printing and was allowed to make the necessary corrections.

Dr. Andrew Stewart, Chairman, of the Board of Broadcast Governors, was recalled. During the questioning of this witness, Mr. Carlyle Allison, Vice-Chairman, answered certain questions on specific points.

And the examination of the witness still continuing, it was adjourned to the next sitting.

After some discussion, the Committee agreed to meet again at 2.30 o'clock p.m., Wednesday, June 14, to continue with the examination of the witnesses from the Board of Broadcast Governors.

At 11.00 o'clock a.m. the Committee adjourned.

Antoine Chassé,  
Clerk of the Committee.

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<sup>1</sup> The following returns were submitted by the Canadian Broadcasting Corporation late today and, as ordered, are appended hereto as indicated in each case.

1. For Mr. Fisher, May 25th—ratio of staff to operating expenses over a 5-year period. (*See Appendix "A" hereto*).

2. For Mr. Horner, May 30th—list of CBC publications with costs, for fiscal year 1959-60 (*See Appendix "B" hereto*).





## EVIDENCE

TUESDAY, June 13, 1961.  
9.30 a.m.

The CHAIRMAN: Gentlemen, the meeting will please come to order. We now have a quorum. The steering subcommittee met yesterday with Messrs. McGrath, Robichaud, Smith (*Calgary South*), and myself in attendance. The subcommittee first discussed the advisability of recalling the president and other officials of the Canadian Broadcasting Corporation to question them in regard to the formula submitted to the committee at the latter's request. The subcommittee is of the opinion that nothing can be gained in opening up a debate on the matter. The subcommittee's observations and opinions thereon can be reflected in its report to the house.

Secondly, the subcommittee considered the request to be heard by certain associations, who have submitted briefs and opinions. Your committee has decided to recommend that the taking of evidence close with the completion of the examination of witnesses from the board of broadcast governors and the Canadian association of broadcasters.

Thirdly, it is recommended by your steering committee that following the close of the oral evidence, as previously indicated, the committee proceed forthwith in camera with the preparation of its final report. In this connection it is further recommended that the steering committee be entrusted with the task of preparing a draft report for consideration later by the entire committee. It is felt that such a procedure would prove a valuable time-saving device, and would in no way affect the privilege of any member to contribute his share to the collaboration of the report to the house.

Are there any comments on the steering committee's opinions and recommendations? Or is it agreed that these recommendations be adopted?

Mr. HORNER (*Acadia*): I understand we are to hear from the Canadian association of broadcasters after we hear from the board of broadcast governors?

The CHAIRMAN: Yes, when we finish; that is, if we have finished during this week, or by Thursday morning with the board of broadcast governors, we will then have the Canadian association of broadcasters here. If not, then they will be here a week from today, that is, on Tuesday.

Mr. HORNER (*Acadia*): Are we going to meet this afternoon?

The CHAIRMAN: I think it depends entirely on the committee. I thought we had agreed to meet if it was necessary on Tuesday afternoons, provided it would not interfere too much with the house.

Now, there are certain reports that are still forthcoming from the Canadian broadcasting commission. I understand that some of these reports will be submitted later on today, and some on Thursday. They have not finished the collation of the material for those reports.

Mr. HORNER (*Acadia*): Will those reports be printed in our proceedings?

The CHAIRMAN: Yes, if the committee so desires, they will be printed as an appendix.

Mr. HORNER (*Acadia*): Then I would so move.

(See appendices "A" and "B" hereto)

The CHAIRMAN: Today we have with us Dr. Andrew Stewart.

Mr. SIMPSON: I would like to make two or three corrections in the committee report of June 8.

The CHAIRMAN: Please proceed. What page?

Mr. SIMPSON: I have three pages. First, on page 826, at the tenth line it reads:

the Peace River area and Le Pas.

"Le Pas" should be taken out. Further on throughout the report The Pas is referred to as "Le Pas". I would like that to be changed in the various places where necessary. Then on page 826, again, in the 38th line, it should read "At the present time you are planning" not "we are planning"; and one more item, on page 828, the population for Thompson, Manitoba should be 10,000. I did say 4,000 on one occasion when referring to the population early next year, but the projected population should be 10,000; and one more item: in the 30th line on page 828 it should read: "It will not give us football or other sports". At the present time it reads "It has given us football."

The CHAIRMAN: This morning we have with us Dr. Andrew Stewart, chairman of the board of broadcast governors, who is accompanied by Mr. Carlyle Allison, vice-chairman, and Mr. Bernard Goulet. I believe Dr. Stewart has a statement to make on some recommended amendments which they have considered since we last met with them. Will you please proceed, Dr. Stewart?

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): Mr. Chairman, and members of the committee: these recommendations have reference to section 13 (4) (b) of the act, which reads as follows:

13(4) The board may

(b) grant or revoke permission to a licensee to operate the broadcasting station in respect of which his licence was issued as part of any network for the broadcasting of a particular program or a series of programs extending over a period not exceeding one month, but if the broadcasting station is operated as part of another network, no such permission shall be granted without the consent of the operator of such network.

The amendment which the board wishes to recommend would read as follows:

13(4) (b) The chairman of the board or his representative may grant or revoke permission to a licensee to operate the broadcasting station in respect of which his licence was issued as part of any network for the broadcasting of a particular program or series of programs extending over a period not exceeding six months, but if the broadcasting station is operated as part of another network, no such permission shall be granted except subject to the conditions of affiliation between the licensee and the operator of such other network.

There are actually three changes in substance recommended: one is that authority formerly given to the board under this section be vested in the chairman or his representative. That is a part, I think, we discussed earlier with you, that occasionally it is necessary to act with some expedition on requests of this kind, and we think the authority might be given to the chairman or his representative. The second change is that, whereas the section as it now stands refers to a maximum period of one month, we are recommending that this be extended to six months. The reason for this is that the board has had before it a number of requests for temporary networks which have obviously extended beyond a period of one month. The board has met the situation by approving it for a month, and then re-approving it; but it seems to us that a period of six months would include most of these cases for which a temporary arrangement is requested.



Finally, and perhaps the major change, is that whereas the section as it now stands requires permission of the network with which the station is affiliated, the board recommends that this be made subject to the contractual conditions existing between the affiliate and its network. This simply means that any time which is reserved to the network under the affiliation agreement, could not be disturbed by a temporary network. On the other hand, for any time which is not reserved for the network, it would make it possible for the affiliated station to join a temporary network without obtaining permission of the network beforehand. So this has two effects: one, to strengthen the position with respect to interference with the time reserved to the network under the affiliation agreement, and secondly, it opens up an opportunity on the part of the affiliate to become involved in a temporary network outside of reserved time.

The CHAIRMAN: Are there any questions on this, gentlemen?

Mr. PICKERSGILL: Mr. Chairman, I would like to put a question on this point.

Could Dr. Stewart give us some background about the very last of these recommendations. The reason I ask is, of course, that when we were questioning Mr. Ouimet, it was quite clear that he attached the greatest importance to the maintenance of the control by the C.B.C., not merely of the reserved time but of the position it now holds under the existing legislation with respect to networks. Since the recommendation Dr. Stewart is now putting before us seems to be in conflict with that, I think it would be desirable if you would elaborate and give the reasons the B.B.G. has for putting forward this proposal.

Dr. STEWART: Yes, Mr. Chairman. I think it is true that the thinking of the board and that of the C.B.C. is not the same on this particular point. In part, this arises out of a problem in connection with the broadcasting of football games. Here, with respect to reserved time, which is reserved by the network, we are saving, in fact, that this remains inviolate and that people who have in mind the possibility of temporary networks should not expect that it is possible to interfere with the contractual arrangements between the affiliate and the network. On the other hand, the board's view is that outside of the time the network has, in its wisdom, and through agreement with its affiliate, reserved to itself, the affiliate ought to be free to acquire programs **where**, and from whatever source it can. This relationship to the emergence of a second network is quite true, and the possibility that the second network might become a supplier of programs to stations affiliated with the C.B.C.

Now, in our view—that is, in the board's view—we should not prevent the affiliate, outside such time as is reserved to it, from obtaining programs distributed by the second network, if it seems to be in the interest of the affiliate so to do.

Mr. PICKERSGILL: There is a subsidiary question I would like to put. Of course, there is now a microwave service connecting all the television stations from St. John's, Newfoundland, to the Pacific coast, and virtually all the stations in Canada—although not quite all. Is this microwave system available to the second network, or does it belong to the C.B.C.?

Dr. STEWART: The C.B.C. has a contract with the TransCanada Telephone system which reserves to it certain times for the use of this microwave network. Outside of that time, it is available to the second network, I believe.

Mr. PICKERSGILL: So that the second network, except for the time reserved for the C.B.C., would be able to supply any station that is on the microwave system?

Dr. STEWART: Outside of reserved time, yes.

Mr. PICKERSGILL: What I was trying to get at is this—



Dr. STEWART: That is not wholly accurate—I meant to say outside of the time which is reserved by the C.B.C. for the use of the microwave system.

Mr. PICKERSGILL: As I said, what I am trying to get at is that this second network is going to be in a position to serve the whole country and not just parts of it. There is a real fear—and the board must be aware of this—that because of this football business, it was going to be available in only central Canada and not in the outlying parts. That being the case, I gather that would not be very acceptable in many parts of Canada.

Dr. STEWART: Well, it is our view that the provision of the national service by the corporation to all Canadians must be protected and preserved and, in our opinion, this can be done within such time as the corporation feels it necessary to reserve time on its affiliated stations.

Mr. PICKERSGILL: There is one other problem on which I would like to put a question. Does the board of broadcast governors intend, if the other network manages to secure things that are of great national interest and are considered by many Canadians to be of national importance, to insist that the second network give the same national coverage to it as the C.B.C. gives, or would the board be quite satisfied to have these supplied to the lucrative markets in Ontario and Quebec and let the rest of the country do without them?

Dr. STEWART: The board is not satisfied with that solution to a problem involving a program of great national significance. In our view, such a program should be widely shown. However, the effect of this recommendation is that if such a program had to be broadcast during reserved time of the corporation, then the corporation is, in fact, the only agency which could distribute these programs, and anybody who is buying or considering buying these programs ought to know that this is the case.

Mr. PICKERSGILL: Quite.

The CHAIRMAN: Have you a question, Mr. Lambert?

Mr. MARCEL LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): When you were speaking of reserved time, you were including, as well, option time?

Dr. STEWART: Only to the extent that unreserved option time comes under certain conditions of the affiliation agreement. My understanding of the situation is that, there is time which is, in fact, taken up by the network and is reserved to the network. There is an additional option time which has not been so reserved. But, under the affiliation agreement, the corporation reserves the right to pick up this additional option time on something like 28 days' notice. Now, if this is a contractual arrangement between the network and its affiliates, then this additional time is subject to that condition. But, subject to that condition, the station may make whatever arrangements it wishes.

The CHAIRMAN: Are you through, Mr. Lambert?

Mr. LAMBERT: Yes.

The CHAIRMAN: Have you a question, Mr. Simpson?

Mr. SIMPSON: Mr. Chairman, would this amendment, as I understand it, prevent affiliates from forming a strong network for, say one occasion, during time reserved for over-all network?

Dr. STEWART: Yes, it would.

Mr. SIMPSON: And the C.B.C., or the group with which these stations ordinarily were affiliated would not be able to allow them this network time to form this group.

Dr. STEWART: Presumably it would be possible, as I think it always is under a contract between people, to arrange to change the conditions; but, so far as the act is concerned we think it ought to be made subject to whatever contractual arrangements are entered into.

Mr. SIMPSON: I am thinking of cases where, during the network time, the prime sponsors themselves may find it is desirable and would create goodwill to allow a small portion of the network to go on with something else which is of interest to that particular area.

Dr. STEWART: I do not think it would prevent the network and the affiliates agreeing to disturb the normal contractual arrangements to provide for this, but it would require the mutual consent of both of them to break the contract.

Mr. McGRATH: Did you say mutual consent of both of them to break the contract?

Dr. STEWART: I do not see how a contract could be broken otherwise.

Mr. McGRATH: Where does the board come in?

Dr. STEWART: The board is simply saying—and the second network is as interested in this as is the C.B.C.—that in no circumstances should a contractual arrangement between two parties for the use of time be disturbed, except with the mutual consent of the two parties.

Mr. HORNER (*Acadia*): As I understand it the affiliates—or the second network—would not necessarily have to use the microwave. They could sell or rent films to be used.

Dr. STEWART: They could distribute by film or by video tape. A great deal of this will be done in fact.

Mr. MACDONNELL: Did I understand Dr. Stewart, in respect of the relations between a network and an affiliate, to say that unless bound by contract with the network the affiliate was practically free to operate on its own. Why is it necessary to legislate that? Apart from their contract, why are they not free?

Dr. STEWART: As it now stands, this section requires the permission of the network operator even outside of reserved time, if the station wishes to take part in a temporary network. This narrows the capacity of the network to restrict the affiliate in this time. The Board's proposal would give him a greater freedom to engage in this sort of activity outside of reserved time.

The CHAIRMAN: Are there any further questions on these amendments proposed by Dr. Stewart?

Mr. HORNER (*Acadia*): Why do you suggest it be changed to the chairman of the board or the chairman's representative, rather than the board? Is it in order to speed up the operation of this measure?

Dr. STEWART: Yes. There are a great range of things which come in under this section; sometimes it may be a one-shot affair, and it may be something that is happening tomorrow which they want to get together and do jointly. This requires immediate action. It is quite true in respect of things which can be anticipated several months in advance, that there is perhaps no need for this.

Mr. PICKERSGILL: Is this recommendation only in respect of one-shot affairs?

Dr. STEWART: No; it covers a period not exceeding six months.

Mr. PICKERSGILL: And the chairman would act in place of the board in that case.

Dr. STEWART: This is what is recommended here.

Mr. PICKERSGILL: I feel that perhaps the committee would like to take a good look at that. In the case of the one-shot affair, as between yesterday and today, it is a very reasonable provision; but, for myself I am shocked at the idea that when there is a six months period involved the chairman could go beyond the board and the board would not decide on this.

Dr. STEWART: I would be quite prepared to accept an amendment to the effect that an event not extending beyond the one month could be decided



by the chairman, but if it were between one month and six months it would require the board. We think this would be quite workable and satisfactory to us.

The CHAIRMAN: Are there any further questions on this suggested amendment?

We had proceeded through all of the act with the board of broadcast governors, and we recalled them in respect of their operations?

Mr. LAMBERT: There is one point. In re-reading the evidence of Dr. Stewart at an earlier stage I could not find any place where the matter which had been deferred had been brought up again. At the top of page 19 of our minutes of proceedings and evidence there is a comment by Mr. Pickersgill, agreed to by Mr. Smith, on the subject of whether or not there is any duplication between the Radio Act and the Broadcasting Act. If you look at the third last paragraph on page 18 you will see there that Mr. Smith asks:

You have made several remarks in relation to the Broadcasting Act and the Department of Transport Act. I wonder have you any comment to make on the general relationships between the two acts—any problems of duplication or any suggestions in relation to possible changes in your own act and the Radio Act?

Dr. Stewart said:

We have made no such recommendations.

Mr. Smith then said:

I am only concerned generally whether you are satisfied with the relationship between the two acts.

Then there was a deferment of this until a subsequent time. I cannot find any discussion on this. If we are considering amendments to the Broadcasting Act, I think we should have the views of the board as to what they feel is the relationship between the Radio Act and the Broadcasting Act.

Dr. STEWART: There is a certain amount of overlapping of the functions of the Department of Transport under the Radio Act and those of the board under the Broadcasting Act. For example, in respect of the applications for licences, we have taken the position with the department that we should have a uniform application form in view of the fact that the information which is required by the department under the Radio Act is relevant to the board in dealing with these applications; similarly, the minister being the licensing authority must likewise consider those matters which appear to be broadly under the Broadcasting Act and which are matters of concern to the board. On the other hand, our feeling is that on the whole this is not an unsatisfactory arrangement. There are certain checks and balances which result from this which on the whole we think are beneficial. On the other hand, if you add a monolithic arrangement, so that one body or one department was handling all these matters, I think there would be some danger in this. We believe that there are some benefits, in having a check with the department, and the department checking with us on procedures with respect to things like applications. So we have no difficulties which we have encountered in this area, other than occasionally we have to discuss matters with the department and with departmental officials; and this we think is beneficial.

Mr. LAMBERT: Would you say that perhaps these checks and balances more than compensate for the lapse of time? There is a greater lapse of time necessary to process the applications as result thereof?

Dr. STEWART: I doubt if that is correct. There is a lapse of time because of the necessity of the department to make their careful and technical analyses of the applications; and if we did so, then I suspect very much the same amount of time would be involved. Our technical advisor sits in on this Review Com-



mittee, so there is no duplication of time here, because he can bring it to the committee and discuss it, and he knows about the discussions which have taken place within the committee.

Mr. LAMBERT: You say that your representative sits in on the Department of Transport examination on the technical side?

Dr. STEWART: That is right.

Mr. LAMBERT: So, you have already had a look at it through your representative by the time it gets to you?

Dr. STEWART: That is right.

Mr. PICKERSGILL: I have one supplementary question I would like to ask: has the board found any conflict or apparent conflict between the provisions of the Broadcasting Act and the Radio Act? Personally I would not be a bit worried about a little duplication, but I think we should be told if there was actual conflict or even apparent conflict.

Dr. STEWART: Counsel reminds me of the problem which was raised before of the C.B.C. being a licensee, and having to apply for a licence, but that is not a conflict. Counsel cannot suggest to me any conflict.

Mr. PICKERSGILL: That would be more of an ambiguity.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: I wish Dr. Stewart would explain to us as simply as he can the nature of the conflict between Swift Current and Saskatoon, which I understand has not been fully resolved yet.

Dr. STEWART: I shall try to do so briefly. The board was very much concerned to fill in some of the gaps which were not obtaining television service. I am going to ask, if I may, that Mr. Allison deal with this question because he has been in touch with the problem since the beginning, and perhaps he can explain it more fully than I could.

The CHAIRMAN: Very well, Mr. Allison?

Mr. CARLYLE ALLISON (*Vice-Chairman of the Board of Broadcast Governors*): Mr. Chairman and gentlemen; we had an examination for discovery, if I might call it that, at a meeting in Saskatoon before either one of these applications came to the board, to see what private broadcasters might do about filling in what we called this big gap in central Saskatchewan.

Mr. HORNER (*Acadia*): And part of Alberta too?

Mr. ALLISON: Yes, it slops over into Alberta; and at the same time we also took a look at the southeast corner of Saskatchewan where there was another gap. This was then discussed between the private broadcasters who wanted to attend, and representatives of the board in Saskatoon, to see how this might be facilitated. As a result, the board saw fit to ask that a channel which had been reserved for North Battleford, channel 3, be moved down to central Saskatchewan, to get the best kind of coverage over a wide space of unserved area. This was done and we received then, two applications which went through the Department of Transport and came to us. One was from Swift Current, and one was from CFQC-TV in Saskatoon. We had public hearings on them, and we were not satisfied with the results of those hearings, that the best use might be made of the facilities to cover the widest possible area. Then there was another hearing, Dr. Stewart, if my memory serves me correctly.

Dr. STEWART: Yes, we asked the corporation for some information as to the effects on the supplementary affiliation agreement.

Mr. ALLISON: We were worried about the effect which might occur, particularly at the Swift Current station, if a licence were recommended for Saskatoon, for the loss it would incur through the regular per program hour

from the corporation. I should also say that the Swift Current applicant, Mr. William Forst, had applied to the board for two other flea-power transmitters, which were to cover Val Marie, and Eastend, which is a little box of population in southwestern Saskatchewan near Swift Current.

It was determined through consultations we had with the C.B.C., between those two hearings of the major applications, that the Swift Current licensee would lose about 1,000 viewers by encroachment of the CFQC station on his territory; but that he would pick up the same number—about 1,000—if he went ahead with the two small satellites. So that is what we have recommended that he be given permission to do; that is, to have two small satellites at Eastend, and at Val Marie. In other words he would lose nothing, although it would certainly cost him money to put in these two satellites.

Now, when the two applications came back to us, we had this information from the C.B.C. and we re-heard the submissions from the two applicants to see what could be worked out with fairness to both applicants. The Saskatoon applicant, Blair Nelson, at that hearing submitted a further engineering brief which provided that he could pull in his signal to the south and thereby limit its encroachment in the Swift Current direction, so that this loss I have been talking about of only 1,000 viewers would be the result. If he did not pull in, I think Swift Current would have lost between some 2,000 and 3,000 viewers. But that was only one of the considerations. We wanted to protect Swift Current, but we wanted also to see that the greatest good was done to the greatest number in so far as viewers were concerned.

The big problem here—I think there were two issues—was this: one was how far would the signals of the two competing applicants reach, and how many people would be adequately covered. It was the board's view that the CFQC proposal, either in its original form or in its amended form, would cover more people, particularly in the northern region of this proposed coverage area, that is the Wilkie and Unity parts of Saskatchewan. Wilkie and Unity had both been very vociferous in requesting something be done to get television service into that part of the country.

Apart from the northern fringe, I think it was demonstrated that the coverage of CFQC television satellites would be greater in its effect on the whole area than would the Swift Current satellite. This was one consideration.

Another one was the Stranraer, or Kindersley area. Stranraer was the transmitter site for the Saskatoon station, we wished to see if this general area fell in the Saskatoon orbit, or the Saskatoon trading area, or if it really fell in the Swift Current basket. It was the board's view that this was a tributary area far more to Saskatoon than it was to Swift Current. This is the Goose Lake line area, which members from the west realize is tributary to Saskatoon, and it is at the head of the central trading area.

Mr. PICKERSGILL: It is evident that Mr. Allison still belongs to the railway age.

Mr. ALLISON: I lived there in the railway age, but I am now in the space age, with television, and in many other respects.

Mr. PICKERSGILL: There is a very good highway from Swift Current right up into that area.

Mr. ALLISON: We know this; and we know there has been some active demand for a satellite between Kindersley and Swift Current; so this seems to be the main action back and forth between those two communities, Kindersley and Swift Current. Other things which draw people from Saskatoon in addition to the old railway, are the university in Saskatoon; the hospitals, and various facilities, cultural and otherwise. Now, we also had to think of one other factor, and that was the programming of the station. I think it was quite clear to the board at any rate that there are more C.B.C. programs carried on



the Saskatoon station than on the Swift Current station, due to the situation which the C.B.C. made effective, in that the Saskatoon station was a basic station of the C.B.C. network, while the Swift Current station was supplementary rather than basic.

This condition means that a lot of the advertising programs, the big sponsored programs, are not carried on the supplementaries, but are carried on the basic stations. They must be bought for the basic stations. So there would be a lot of programs which the public, I mean a lot of viewers, would be able to see over CFQC television satellite, but not over the Swift Current satellite. I think these are the major points involved. And I would like to say that this C.B.C. rule regarding satellites, or regarding subsidiary stations, supplementary stations, is one which is causing concern in many parts, particularly in western Canada.

There are quite a number of supplementaries out there. In fact I think there are more there than in any other part of Canada. And the supplementary has a much harder time to get along financially, through the amount of money fed to it by the C.B.C., as compared to a basic station. So I think it is fair to say that we sympathized really with Swift Current in a financial way, but all other things considered, we thought that the recommendation should go to Saskatoon.

Mr. PICKERSGILL: I would like to ask a supplementary question. Was the board impressed by representations made by the Swift Current station, as I understand it, that without this tributary territory, their whole position would be in jeopardy, and that it was a great question whether or not the station could survive?

Mr. ALLISON: Yes. I think to some extent he has made it out since in letters, certain of which I have seen copies. I am not entirely in agreement with them. I think he has a pretty good case, because he has managed up to this point at least to pay off his indebtedness in jig time, of which he is pretty proud. And if his rate from the corporation does not suffer at all, and if he goes ahead with his two little satellites, then he is in no worse position vis-à-vis the corporation; but it is fully possible that he may not get the amount of selective advertising—that is, from advertisers other than through the corporation—as a result of having a smaller audience in comparison to some other prairie stations.

Mr. PICKERSGILL: Have you any estimate of what those two satellites would cost? After all, if he is going to get more revenue, the capital cost would certainly not be the only factor, if he is going to get more revenue to cover that additional capital cost? We did have the cost. Our technical consultant is looking it up at the present time. Would you like to go on with something else in the meantime?

Mr. HORNER (*Acadia*): I have a supplementary question on the same subject. Was it a fact that this satellite at Kindersley was going to project further into Alberta than the Saskatoon station, or were there projections about the same?

Mr. ALLISON: I do not remember it as going further into Alberta. We did have the contour maps before us. We have had hundreds before us, and I could not answer this question exactly; however, if you desire, we could produce the contour maps for the two of them.

Mr. HORNER (*Acadia*): Well, I want to bring to your attention, and the attention of the board particularly, that there is quite an area in that vicinity which is on the Alberta side—the town of Oyen, for instance, which has a population of roughly 1,000, and it has no TV reception whatsoever. It is my feeling that, quite possibly, it could get some reception. As it is only 20 miles inside the Alberta border, is it proposed that this satellite would reach



that far? As I understand it, Kindersley is roughly 30 or 40 miles inside the Saskatchewan border and, if a satellite was set up at Kindersley, it could possibly reach Oyen. I had hopes that the CFQC satellite would do the same.

Mr. ALLISON: I would guess it would, but this is merely a guess; if we had the contour maps here, we could demonstrate this to you.

Dr. STEWART: Oyen would get service from the Pivot satellite of Medicine Hat, and from the Coronation satellite, as well. According to the contour maps that the C.B.C. showed us last Thursday, the satellite at Pivot, north of Medicine Hat, would reach up as far as Empress and a little short of Alsask.

Mr. HORNER (*Acadia*): It is 30 miles south.

Mr. ALLISON: These contour maps may have shown only A and B contours, and there is a C beyond those. If you put an antenna on your roof, you could get pretty good reception.

Mr. HORNER (*Acadia*): Is the Saskatoon satellite on those maps?

Dr. STEWART: No. This map I am looking at shows the B contour of the Pivot satellite well north of Empress and just a little short of Alsask. Oyen, as I remember it, is a little south and west of Alsask.

Mr. HORNER (*Acadia*): Well, it is certainly in a fringe area.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: Mr. Chairman, I have two others I would like to put. Is it true, as has been alleged by the Swift Current applicant, that they were going to have certain facilities for local broadcasting in the Kindersley area, whereas Saskatoon would be purely satellite and, therefore, as they allege, it would be more of a local character? I do not know, and I would like an answer to that question. Then, I have another.

Mr. ALLISON: Mr. Forst, as I remember it, proposed to send camera crews into the Kindersley area and put some of these back onto the station which he proposed, and there would be more of these proposed of a local nature done from Swift Current than was indicated in the first brief of the Saskatoon company. That was in order to please the people there. The Saskatoon applicant had letters from every municipality and every organization in the whole surrounding area to the effect that he would have to do the same. I think he was undertaking to do a fair amount. I might have had the impression that Swift Current had promised a little more in the initial presentation.

Mr. PICKERSGILL: I do not think that is what I understood. I understood that there would be certain times when there would be broadcasts direct from the satellite itself; that is to say, with certain very local things—and I may be quite wrong about this. However, this is what I read into it.

Mr. ALLISON: I do not think so. I think it was all put down through the Swift Current station beaming it to the satellite.

Mr. PICKERSGILL: Perhaps that point could be checked.

The other point that was made was that the Swift Current applicant alleged that the other applicants submitted certain technical data that he had been unaware of at the time the second hearing was held, and that he should have had an opportunity to refute this. It may be that it was introduced even afterward by the Department of Transport. I am speaking from memory.

Mr. ALLISON: I think this has some relevance. As I remember it, the Saskatoon man, in the sort of initial rundown of the station, at the hearing—and this was the second hearing—offered to change his engineering so that he would pull into the south to protect Swift Current in the event that he, Blair Nelson of Saskatoon got the recommendation. It is true that this was a new development, and it was apparent to Mr. Forst, as to us, at the same time, at the hearing. Mr. Forst was there. Now, the board could have called for still

another hearing and delayed further the time when television service might get into the area. However, it was the feeling of the board that even if Mr. Forst changed his application somewhat to compete with the new change made by Mr. Nelson—the tributary position of Kindersley and so on to Saskatoon, plus the northern coverage, plus the interest of the people there in Saskatoon, as we detected it—would not have changed the board's opinion; it merely would have put Mr. Forst to additional unnecessary expense.

Mr. HORNER (*Acadia*): I have a supplementary question to that: The Saskatoon station actually was given a hearing at which Swift Current was not there. Is this the correct interpretation?

Mr. ALLISON: No, this is not right. The Saskatoon station was asked to submit to the Department of Transport—and this was in our recommendation—these new engineering standards whereby it would have pulled into the south and, if they were satisfactory to the Department of Transport, when submitted, and satisfactory to us, when passed to us, then the recommendation for the licence to Saskatoon would be proceeded with. This is, in fact, what happened.

Mr. HORNER (*Acadia*): I have one other question, and I should not be asking it, as I was born in Saskatchewan. How far east of Kindersley is Stranraer?

Dr. STEWART: About 12 miles.

Mr. HORNER (*Acadia*): I was under the impression it was more than 30.

Dr. STEWART: It is actually north, more than east.

Mr. ALLISON: This is one of the factors that helps it to reach these extra few miles up to Wilkie and Unity. Mr. Frost did claim that his project at Kindersley would cover Wilkie and Unity, but the board was not satisfied that there would be a good signal in either one of these towns.

Dr. STEWART: I have one general observation which is relative to this case.

The board feels it is primarily concerned with service to the viewer. Now, we may be sympathetic to the position of supplementary stations—and, believe me, we are. We may realize it would be relatively more helpful to one station than to another to give them the opportunity to serve; but, basically, what the board has to consider is what will be the best and most acceptable service for the district, and we are not prepared to hand over a community to a station just because it might be in the interest of a station to have that.

Mr. PICKERSGILL: I agree completely with that; however, there is the subsidiary factor that if this is going to put the whole broadcasting in Swift Current in jeopardy. The board might easily end up, by giving a few more viewers to Saskatoon, in creating a much bigger vacuum in southwestern Saskatchewan. It was that aspect of this case that most impressed me, from what little I was able to hear about it. This is what made me interested in inquiring about it. I heard about the situation merely by accident, and it seemed to me that by denying this additional territory to Swift Current, the whole Swift Current operation might have to fold up, and that the last stage would be worse than the first, from the point of view of broadcasting services to the largest number of people. I would like to make my own point in that matter very clear. I have a sneaking sympathy for smaller places, in preference to bigger ones, but this probably is just a bias.

Mr. LAMBERT: Is it not a fact that the Swift Current station, in connection with its operations that now exist, has been a reasonably successful one, and, therefore, it does not necessarily need a greater field to maintain its operation. That is one consideration. If it were in a losing position, perhaps then an additional field might have been of some import.

Mr. ALLISON: I cannot give you the exact figures on the cost of these two satellites, but our technical advisor thinks that \$5,000 each would be an outside



figure—about \$3,000 for the equipment of each one, and then they would have to have some kind of a house to store the equipment in—and they would have to do the engineering on them. \$5,000 probably would cover each one.

Mr. PICKERSGILL: And, the revenue from an extra 1,000 viewers—and it would not be an extra thousand.

Mr. ALLISON: It would offset the 1,000 lost to the north.

Mr. PICKERSGILL: But it means a \$10,000 expenditure to maintain their existing position.

Mr. ALLISON: Yes. He will lose \$10 per hour on his card rate from the C.B.C., unless he picks up the two little satellites.

Mr. PICKERSGILL: Well, somebody else is better on arithmetic than I am, and they can work that equation out.

Mr. HORNER (*Acadia*): It is going to extend up as far as Unity and Wilkie. Would Macklin be included in that? It is pretty well on the Saskatchewan-Alberta border.

Mr. ALLISON: If it is not included there, it would be included by Lloydminster either now, or eventually, I would think.

Mr. HORNER (*Acadia*): It is not included by Lloydminster now? If it is getting reception now, it is right in the fringe area.

Mr. ALLISON: We easily can produce contour maps. If you wish, we could bring them this afternoon.

Mr. HORNER (*Acadia*): I would like to see them, if it would not be too much trouble. There are several little towns in Alberta which are not able to receive any kind of reception at all to date, and I know that they would be pleased if I, as a representative, would ascertain if they are going to get something out of this satellite.

Mr. ALLISON: We would be glad to do this. I would like to underline that it was the board's action in going in there and stirring things up which is helping to provide the kind of services that are being provided. It was our initiative in this—and it may be beyond our call of duty. We took the initiative, as we are concerned with more Canadians all the time getting television service.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: Could you tell us what was involved in the approval for the Dryden-Sioux Lookout satellites? I am especially curious about the difficulties that were created. Has that been covered?

Dr. STEWART: Mr. Chairman, this application is to be heard by the board next week, and I would rather not comment on the applications which are before the board.

Mr. FISHER: Has the situation at the American radar base been brought to your attention at all?

Dr. STEWART: Yes. As a matter of fact the board recommended to the department that a relay or rebroadcast station which could pick up only United States channels be located at Sioux Lookout until such time as a Canadian service could be provided.

Mr. FISHER: Then what?

Dr. STEWART: As soon as a Canadian service can be provided it would lapse.

Mr. FISHER: Just as a matter of equity, let us say, what do you do in a situation, say, along the north shore of lake Superior where, by developing wired systems, they are able to bring in United States channels, and with the increase



in power at the lakehead station they also can get the lakehead station much better. It is not within your power to tell those community wired systems to cut off the United States stations, is it?

Dr. STEWART: No.

Mr. FISHER: Yet it is contemplated that the people who may be wired for the United States stations up in the Sioux Lookout area will lose them.

Dr. STEWART: This is broadcasting policy; yes.

Mr. FISHER: It is broadcasting policy?

Dr. STEWART: Yes. The one at Sioux Lookout is not a wired system; it is a rebroadcasting station and is in fact broadcasting.

Mr. FISHER: Is it bothering anybody else's frequency at all?

Dr. STEWART: I cannot answer that. I can say that it is in breach of our regulations actually, because it is not providing forty-five per cent Canadian content on the station.

Mr. FISHER: What have you done in an operational way, since you were before us last, to check on community systems?

Dr. STEWART: We have done nothing more since the report of the wired systems committee.

Mr. FISHER: No part of your staff, for instance, is checking on the efficacy of these systems and how much they extend the coverage of the present stations beyond the normal contours. For example, the other day the C.B.C. showed us that they did not cover at all what some of the wired systems are providing in terms of service.

Dr. STEWART: I am afraid we have made no complete study of the coverage.

Mr. FISHER: Who has this information? How are you going to get it?

Dr. STEWART: I presume the information will be required only from the organization of community antennae which is the N.C.A.T.A. Of course, we have complete information on all of these systems and I think there is information available on how many subscribers they have; but there is no information on the viewing of particular channels on them, of which I know.

Mr. FISHER: I suppose we quite easily could be called upon to make a recommendation, which I hope would be intelligent, about wired systems. In your operations you have come to no more conclusions and have no more information to give us which would guide us in this particular matter.

Dr. STEWART: I am afraid we have not. The conclusion we reached, having in mind the growth of broadcasting and having in mind the relatively small extent of the community antenna television, is that there is no substantial evidence that they were retarding significantly the growth of broadcasting. There are particular situations in which they could jeopardize broadcasting service. I think Sault Ste. Marie is one case we are watching rather closely where there is a small market with competing United States stations and where there are wired systems as well. In this situation it is not inconceivable that the competition from United States stations and wired stations would make it financially impossible for the affiliate to operate. That has not happened yet but is not inconceivable.

Mr. FISHER: The Sault Ste. Marie and Port Arthur stations are the ones which interest me. I am disturbed to find that you are not building up some kind of information or inquiry into the effect these wired systems are having, especially the pay kind rather than the community kind developed by communities in distant places. In areas in which wired systems have gone in, because of the potential attractiveness of the commercial operation, I hate to see the private stations in Canada get any more leverage, which they cer-

tainly did in both Sault Ste. Marie and Port Arthur. I think you will agree this is possible. I am looking at it from an investment point of view. The local people have invested in these wired systems. We are developing in the framework of the community certain bitternesses. I am sure there will be lobbying or pressures, perhaps not upon members of parliament but upon the board and the government to assist in relation to this. I would like to know what your check into this kind of situation is and how you are planning to meet it.

Dr. STEWART: We did say in the report of the committee that we would keep these things under review. I doubt if it is possible for us to undertake a complete and continuous analysis of the wired systems in addition to the broadcasting system. If you put it under our responsibility, we could do it; we would probably need more staff in order to do it. It would be an additional responsibility. I think, however, that by watching the financial position of the broadcasting stations in the area in which wired systems are operating we can get some idea at least as to whether or not it is undercutting the broadcasting service.

Mr. FISHER: Have you a definite principle that the station which broadcasts has a priority insofar as its economic liability is concerned over the, let us say, passive systems.

Dr. STEWART: We claim, as broadcasting policy, that it is the policy that all Canadians will get the national broadcasting service. We are trying to get it extended as rapidly as possible. This is broadcasting policy. Therefore, in any area there should be a broadcasting service which carries the national service, and this must be maintained.

Mr. FISHER: In areas where the people would be aghast if they lost their United States channels, what are you doing to put this policy across? They may be perhaps more aghast if they lost this than if they lost their national service.

Dr. STEWART: I encountered that situation at Estevan, Saskatchewan, when I visited them and gave them my best talk on national responsibilities, Canadian identity and Canadian unity. Whether it impressed them or not, I do not know.

Mr. FISHER: Where do you stand at the present time in respect of the Vancouver situation?

Dr. STEWART: So far as we know, that has almost completely died down. We have heard nothing about this since we were out there.

Mr. FISHER: What role did you play in this situation? Did you take any measures at all to change or alter the situation.

Dr. STEWART: No sir.

Mr. FISHER: Have you the power to do so.

Dr. STEWART: I think that is highly questionable. CHEK-TV was properly licensed with certain facilities. I do not know whether or not we have the power to tell them they have to spend another \$100,000 to change their facilities. The major issue here was the use of Canadian broadcasting resources. As a matter of principle we are not going to limit the use of Canadian broadcasting resources in order to protect United States broadcasting stations beyond what is required by the international agreement. If we gave up on that we would be sunk. The board simply must maintain the provision that, subject to international agreements, we are going to use our own resources.

Mr. PICKERSGILL: What about the Pembina-Winnipeg situation in that context?

Dr. STEWART: Unfortunately there is not very much we can do about this. I have suggested that I think it would be wise if there were consultation

between the federal authority in the United States and the Canadian authority. When a station is to be established on one side of the border quite obviously for the purpose of serving a population on the other side. I think this should be the subject of consultation. My recommendation would be that the Department of External Affairs open up this matter at that level and then perhaps instruct the two administrative bodies as to what position they should take. It is true that we inquired of the F.C.C. when we heard of the situation in respect of the Pembina station and the F.C.C. quite properly replied "it is none of your business".

Mr. PICKERSGILL: Just like the *Saturday Evening Post*.

Mr. FISHER: What about the reverse situation, when you have a Canadian station broadcasting in a United States market? I think you know what I mean.

Dr. STEWART: I do; and I think earlier I observed what should be done. But again I would stay with the principle that if a new station is starting up in Canada to serve a population which is seventy-five or eighty per cent in the United States, I think there should be some consultation about it.

The CHAIRMAN: Shall we meet this afternoon?

Mr. PICKERSGILL: No.

Mr. HORNER (*Acadia*): I think that if we meet this afternoon we would be able to finish with the board of broadcast governors.

The CHAIRMAN: And then call the Canadian association of broadcasters on Thursday.

Mr. HORNER (*Acadia*): Yes.

Mr. PICKERSGILL: I would strongly oppose meeting this afternoon. We have the last bit of legislation the government has to consider in the house and it seems to me we ought to be in the house.

The CHAIRMAN: What about tomorrow afternoon? Shall we meet tomorrow afternoon at 2:30?

Mr. FISHER: Tomorrow afternoon is more practical for me.

The CHAIRMAN: We will meet tomorrow afternoon at 2:30 if it is agreeable. Agreed.



## APPENDIX "A"

CANADIAN BROADCASTING CORPORATION  
COMPARISON OF STAFF AND EXPENDITURES

	Total Pgm Production Staff	Total Staff	Total Salaries  (in \$1,000)	Total Operating Expenditures  (in \$1,000)
1955-56.....	1,926	5,022	18,516	52,512
1956-57.....	2,379	5,939	22,958	65,477
1957-58.....	2,612	6,433	27,213	77,575
1958-59.....	2,824	7,051	31,290	89,440
1959-60.....	2,830	7,153	34,302	96,355

NOTE: It will be seen that the ratio of production staff to total staff has been almost constant at 40% (approx.) and that of salaries to total operating expenditures has been similarly constant at 35% (approx.).

## APPENDIX "B"

CANADIAN BROADCASTING CORPORATION  
PUBLICATIONS PRODUCED DURING FISCAL YEAR 1959-60

## REVENUE PUBLICATIONS

These books are reprints of radio talks series, a television series, an announcer's reference text, a reprint of recipes given on air, and an autograph album.

Title	Cost	Revenue (to date*)
	\$	\$
Architects of Modern Thought.....	2,527.15	2,609.51
Introduction to Geology.....	1,941.16	1,503.10
Interpretation of China.....	1,575.05	1,902.68
Introduction to Economics.....	1,615.96	2,020.49
The Canadian Constitution and Human Rights.....	1,193.52	1,768.91
A Long View of Canadian History.....	646.84	814.52
The Growth of the Novel.....	1,974.24	2,882.35
Big Business.....	1,158.12	1,655.60
A Guide to Pronunciation of Canadian Place Names.....	647.37	556.82
Form in Music (a reprint in the form of an LP recording).....	4,682.86	7,041.84
Fémina (recipes).....	3,806.86	7,522.70
Club des autographes.....	5,206.55	8,135.84

\* March 31, 1961.

CANADIAN BROADCASTING CORPORATION—*Continued*Publications Produced during Fiscal Year 1959-60—*Continued*

## NON-REVENUE PUBLICATIONS

Title	Cost
	\$
<b>MANUALS</b> —required as extension material to school broadcasts, etc.	
Young Canada Listens.....	9,365.79
Canadian School Telecasts.....	1,556.80
Feuilles et arbres.....	1,906.48
<b>PROGRAM INFORMATION FOLDERS</b> —pamphlets giving details of programs and series of particular importance to special interest groups (e.g. high schools, drama and music groups, libraries, women's groups, religious and educational bodies, universities, etc.)	
“University of the Air”	
Form in Music.....	642.63
The Growth of the Novel.....	893.51
The Greek and Roman World.....	1,855.80
“Friendly Giant”.....	138.75
Haydn-Handel Commemoration Week.....	58.83
“Close-Up”.....	796.88
“Farm Forum”.....	1,015.91
“Citizens’ Forum”.....	1,179.27
CBC Wednesday Night.....	976.26
Beethoven Series.....	649.00
CBC Religious Programs.....	576.51
“Big Business”.....	1,082.10
“The Road to Adjustment”.....	337.30
“The Disordered Mind”.....	788.83
“Laurier”.....	433.15
“Science Review”.....	572.39
“Concert”.....	163.17
“Le Roi David”.....	110.50
“Premier Plan”.....	386.13
Radio-Television rurale.....	1,176.11
<b>PUBLICATIONS INFORMATION FOLDERS</b>	
CBC Times.....	880.45
“Form in Music”.....	158.99
CBC Paid Publications.....	435.07
<b>SPECIAL INFORMATION FOLDERS</b>	
“RCMP”—publicity for press, sales promotion, etc.....	1,125.82
CBC-FM—information re FM network.....	2,203.24
CBC In Toronto—for visitors and studio audiences.....	536.15
4 <sup>e</sup> Concours de la Chanson canadienne—contest rules.....	185.09
“Open House”—Christmas recipes.....	337.68
Cooking School of the Air.....	521.70
<b>OTHER</b>	
“Broadcasting—A Greater Challenge Than Ever”.....	2,792.17
“La Radiodiffusion nous lance de nouveaux défis”.....	775.75
Annual Report: 1959-60.....	6,536.00
Rapport annuel: 1959-60.....	3,686.00
Report to 17,732,000 Shareholders.....	3,510.00
Rapport à 17,732,000 actionnaires.....	510.00









HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61



SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 30

WEDNESDAY, JUNE 14, 1961

THURSDAY, JUNE 15, 1961

WITNESSES:

Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman;  
Mr. W. C. Person, Counsel, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961



## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chown	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

WEDNESDAY, June 14, 1961.

(37)

The Special Committee on Broadcasting met at 3.00 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Messrs. Allmark, Creaghan, Danforth, Fairfield, Fisher, Horner (*Acadia*), Lambert, Macdonnell (*Greenwood*), MacEwan, McGrath, McIntosh, Pugh, Webb.—(14).

*In attendance: From the Board of Broadcast Governors:* Dr. Andrew Stewart, Chairman; Mr. Carlyle Allison, Vice-Chairman; Mr. Bernard Goulet, Member; Mr. W. D. Mills, Secretary; Mr. W. C. Pearson, Counsel; Dr. J. A. Dawson, Research Director, Economics; Mr. W. R. Wilson, Technical Advisor.

The Chairman opened the proceedings by informing the Committee that two returns had been received from the Canadian Broadcasting Corporation, had been distributed to the members and, as ordered, appended to the Minutes of Proceedings and Evidence (Vol. 29) of the day before. (See pages 861, 878 and 879).

The examination of Dr. Andrew Stewart and Mr. Carlyle Allison was continued.

At 4.15 o'clock p.m. the Chairman having noted the absence of a quorum, the Committee, without question being put, was adjourned until 9.30 o'clock a.m. Thursday, June 15th.

(Were then present: Messrs. Allmark, Creaghan, Fairfield, Fisher, Lambert, Macdonnell (*Greenwood*), MacEwan, McIntosh, Pugh—9.)

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THURSDAY, June 15, 1961.

(38)

The Committee met at 9.50 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, Messrs. Allmark, Fairfield, Fisher, Lambert, Macdonnell (*Greenwood*), McGrath, McIntosh, Pugh, Regnier, Webb.—(12).

*In attendance: From the Board of Broadcast Governors:* Members and officials as are listed from the previous day.

The Chairman opened the proceedings by informing the members that the Canadian Broadcasting Corporation had asked permission to submit in writing their opinion on the amendment to subsection (4) of Section 13 of the Broadcasting Act, 1958, recommended to the Committee by the Board of Broadcast Governors and it was agreed that the Canadian Broadcasting Corporation's submission, when received, be appended to the printed record of the Minutes of Proceedings and Evidence for a subsequent meeting.

Dr. Andrew Stewart and Mr. Carlyle Allison were again questioned.

At one stage of the interrogation, the Chairman ruled that the line of questioning by Mr. McIntosh was out of order in that the Committee could not be used as a tribunal of appeal over decisions rendered by the Board of Broadcast Governors.

At 11.00 o'clock a.m. the Committee took recess.

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#### AFTERNOON SITTING

(39)

The Committee resumed at 3.00 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, Messrs. Allmark, Danforth, Fairfield, Horner (*Acadia*), Keays, Macdonnell (*Greenwood*), MacEwan, McGrath, Pickersgill, Regnier, Webb.—(13).

*In attendance: From the Board of Broadcast Governors:* as above.

Pursuant to the agreement passed on February 23rd Mr. Regier, M.P., was allowed to take part in the questioning of witnesses.

Dr. Andrew Stewart and Mr. Carlyle Allison were again questioned and Mr. W. C. Pearson spoke briefly.

At the conclusion of the examination of the witnesses Mr. McGrath moved, seconded by Hon. J. Pickersgill, that the Committee express its appreciation for the excellence of the testimony given by Dr. Stewart and his associates. This was unanimously agreed to.

It was further agreed, on the suggestion of the Chairman, that the recommended amendment to subsection (4) of Section 13 of the Broadcasting Act, 1958, with explanatory notes thereon, be appended to today's Minutes of Proceedings and Evidence. (*See appendix "A" hereto*)

At 4.30 o'clock p.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Tuesday, June 20th, 1961.

Antoine Chassé,  
Clerk of the Committee.

The following returns were turned in by Canadian Broadcasting Corporation following adjournment today, June 15th, and, as ordered on June 13th, are appended hereto as indicated below, namely:

1. At request of Mr. Smith (*Calgary South*), May 4th, total number of free-lance people engaged abroad and number sent abroad on program assignments. (*See Appendix "B" hereto*)
2. At request of Mr. Horner (*Acadia*), on May 9th, number of artists imported into Canada by the corporation to perform on C.B.C. programs. (*See Appendix "C" hereto*)



## EVIDENCE

THURSDAY, June 14, 1961.

The CHAIRMAN: I wonder if we could go ahead, at least on the assumption that we have a quorum, because of some corrections that are required by the chairman of the board of broadcast governors.

Also, I have some comments to make concerning some returns which have been made to the committee by the C.B.C. It reads this way:

Attached please find two returns requested from the corporation by members of the parliamentary committee on broadcasting. Each return is supplied in fifty (50) copies.

1. For Mr. Fisher, May 25th—ratio of staff to operating expenses over a 5-year period.
2. For Mr. Horner, May 30th—list of CBC publications with costs, for fiscal year 1959-1960.

I wonder if we could have these added as an appendix to the minutes of today's meeting?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: I am sorry; they were as then agreed put in as an appendix to yesterday's proceedings.

At this time the chairman of the board of broadcast governors has a statement which he wishes to make concerning yesterday's meeting.

Dr. ANDREW STEWART (*Chairman, Board of Broadcast Governors*): Mr. Chairman, in presenting the suggestion which we made with respect to a possible amendment to section 13(4)(b), I should have prefaced my remarks by saying this has not been considered by the full board.

We had prepared it in anticipation of the meeting of the board, which opens on Monday of next week, and thinking that we would be called before the committee after that meeting.

However, when we learned that we were to be called this week, we passed the recommendation to the chairman and asked to be allowed to speak to it.

I am now making it clear that this has not been approved by the full board and, after we have had a chance to discuss it with the board next week, we may have further comments to pass on to the committee.

The other point, in connection with this proposal, was with regard to news we have seen in the press, which would appear that our statement was open to some misinterpretation. In some quarters it seemed to be interpreted that this amendment, if in effect, would have made it possible—or would make it possible—for the Big 4 football games to be carried on C.B.C. affiliates this year. This is not our interpretation of the effect of this amendment. On the contrary, in view of the fact that the time at which he football games will take place is reserved time of the corporation, the amendment, if in effect, would make it impossible to carry these games on the C.B.C. affiliates.

Mr. Chairman, Mr. Allison would like to make one or two comments on the statement he made with respect to the Stranraer and Kindersley applications, and with particular reference to some questions which Mr. Horner asked.

Mr. CARLYLE ALLISON (*Vice-Chairman, Board of Broadcast Governors*): Mr. Chairman, Mr. Horner and Mr. Pickersgill both expressed considerable interest in the contours of these two proposed satellites.

I have a map here which, I think, you can follow fairly well if I open it out to you.

The dark, full line—not the dotted one—was the A contour, and the dark full line, out here, the B contour of the Stranraer satellite of CFQC-TV.

The dotted line in here—this small circle—is the A contour. This other one, outside of that—the one I am tracing now—is the B contour of the Kindersley satellite of the Swift Current station. Now, the amended Stranraer A and B contours are these dotted ones. You will note that, in that situation, both the A and B contour, are pulled up to give protection to the Swift Current area. This is the boundary of the B contour of the present Swift Current station, but their C extends beyond that. This was the protection afforded this area. It is roughly in here, where I am indicating, and it is now the property of the existing Swift Current station, rather than being given to the proposed Stranraer satellite.

Mr. Horner was asking about coverage into Alberta. Neither one of these proposals gets into Alberta on a B contour. Both of them would get over the border into Alberta on a C contour, which would require antennae on rooftops of people living in Oyen and other nearby Alberta towns. It is possible in the central eastern part of Alberta, if people there put antennae on their roofs, to get service from the Coronation satellite from the Pivot satellite at Medicine Hat, and also from this new satellite from Stranraer.

I think that is all I want to make clear in connection with the maps. However, there are a couple of other things I would like to add in order to clear up what I said yesterday, when I was speaking from memory. I think members of the committee will understand that we have had to go through no end of briefs to this board, and it is hard to keep the facts completely sorted out.

I was asked about the cost of the satellites at Eastend and Val Marie, the small flea-power satellites to the south. I gave, as an estimate, that each one would cost somewhere in the neighbourhood of \$5,000. On looking over the testimony, I find now that the over-all cost of the Eastend satellite was between \$8,000 and \$10,000, and the over-all cost of the Val Marie satellite was the same. Now, in both cases, the manager and principal owner of the Swift Current station had arranged with local organizations to pay the cost of the facilities—the hardware—for these satellites. In turn, he was going to do the engineering, and then be responsible for the upkeep and maintenance of the satellites in perpetuity. However, he does not have to pay this \$8,000 to \$10,000, which is put up by subscribers.

Mr. HORNER (*Acadia*): Do you mean he would not have to pay this amount back at any time?

Mr. ALLISON: No; there was no provision to this effect. There were two organizations; the Eastend young men's board of trade, and they undertook to finance the cost of the equipment for Eastend; and the southwestern TV association have on deposit \$9,000, as of February, 1961, to finance the cost of equipment for Val Marie.

I made another statement in regard to the number of programs carried from the C.B.C. network on both the Swift Current and Saskatoon existing stations. I have had our log-checking department do a check of a recent week, namely May 21 to May 27. It turns out that I was wrong in my statement, and that in this particular week the Swift Current station actually carried nearly four hours more of the C.B.C. network program than did the CFQC-TV station. It was 46 hours and 20 minutes on CFJB-TV as against 42 hours and 35 minutes on CFQC-TV.



In connection with a matter raised by Mr. Pickersgill as to whether this station was in danger of going under, I said—and, mind you, this was just from memory—that I thought this was an exaggerated statement, and that he had led the board to believe he was doing pretty well. I think I said he was paying off his indebtedness in jig time, or something like this. However, I looked up his brief, and I came across this phrase, "We have enjoyed a fair measure of success in our last three years of telecasting". I also looked up the last available financial statement filed with us, and find that this is borne out. He is not making any fortune but, from having a very difficult year in 1958, he had pulled up to a fair profit in the year ending December 31, 1959,—and that is the last figures we have. That is all that I want to add at this time.

The CHAIRMAN: I think this is being pretty well washed out. Are there any further questions?

Mr. HORNER (*Acadia*): I have a question on a different subject.

The CHAIRMAN: Mr. Fisher spoke to me in order to get on first.

Mr. FISHER: I wanted to ask you about the Prince George situation. To put it succinctly I have had correspondence from the unlucky applicant which suggests that political influence played a part in the awarding of the licence. I am not going to make that as a charge, but I should like you to comment on the way the licence was awarded and on the advantages of the person who got the award as against the unsuccessful applicant.

Dr. STEWART: I may say the implications that have been made to you are completely false. But, apart from that, I think the main reason was that this is a marginal market for a television operation, which is a costly operation, and it seemed to the board the economies which could be effected by the combination of a radio operation and a television operation were sufficiently substantial to ensure a more satisfactory economical position, and make more funds available for programming, and that therefore the service which could be provided under these conditions would, for these reasons, be better than a service that could be provided by a wholly separate operation.

Mr. FISHER: What about the economic investment of the unsuccessful applicant? Was it recognized that the granting of the licence to the other applicant would sink that investment?

Aurora television was the unsuccessful applicant and it had an investment in providing some kind of service to the area. It was not just something on paper and your decision, in effect, might mean that its investment was practically wiped out. Is that so?

Dr. STEWART: Not to my knowledge or recollection, Mr. Fisher. I believe Mr. Blue has been carrying on some kind of service to the logging camps. According to my recollection he has been providing this for some time, and is still providing it. I do not recall any evidence to suggest that the application for the A.M. would, if unsuccessful, lead to the discontinuance of the service he was already providing.

Mr. FISHER: Did a member of the area make any approach to the B.B.G. expressing opinions favourable to the Aurora application?

Dr. STEWART: Yes. Mr. Henderson, the member for Cariboo, did discuss the problem with the board. We were prepared to do that with him. I think at some stage Mr. Henderson believed that Mr. Blue's application was preferable to that of CKPG, but I am also inclined to believe that after discussing the matter with the board, Mr. Henderson changed his opinion.

Mr. FISHER: There was no pressure put on the board by anyone within the political realm, other than the conversation you had with Mr. Henderson?

Dr. STEWART: That is correct.



Mr. FISHER: You had no representations from the minister of external affairs?

Dr. STEWART: No, sir.

Mr. FISHER: Or from any of the senators in parliament?

Dr. STEWART: No, sir.

Mr. FISHER: What is the present state of the CKPG station?

Dr. STEWART: The mayor of Prince George was in my office quite recently on his way to the meeting in Halifax. He told me he was the contractor for the building and that the building was completed. Mr. Harkins of CKPG was in my office more recently and he assured me the equipment was in process of being installed in the building.

Mr. FISHER: During the last three or four months, or since the start of the year, have you had any representations from the area complaining about or opposing what you had put into effect?

Dr. STEWART: So far as I can recall it is correct to say we have had no further representations since the recommendation was approved and CKPG became busy in processing its station.

Mr. FISHER: In effect who owns CKPG? Is it local ownership?

Dr. STEWART: I believe that members of the Elphicke family and Mr. Keay who are involved in broadcasting in Vancouver—I have forgotten the precise details of their association but I think it is with CFUN that their principal interests are involved.

Mr. FISHER: Did you consider the factor of local ownership as against absentee ownership?

Dr. STEWART: This is always considered.

Mr. FISHER: But in this particular case it was not satisfactory to override the economic condition of CKPG?

Dr. STEWART: That is correct.

Mr. FISHER: Are we to assume then that you give considerable weight to supporting and keeping in being any radio operation that is in existence when it comes in an application contest with some kind of organization which is completely new in the field?

Dr. STEWART: I do not think this is quite the way to put it. I think it would be fair to say the board's view is that there is a preference for a local operation but unfortunately, particularly in marginal situations, there are economies and advantages which result from some measure of joint operation.

Mr. MACDONNELL: Some what?

Dr. STEWART: Joint operation of a radio station and a television station, and I think the board has to weigh these considerations in particular cases.

Mr. FISHER: Say that one of the radio stations at the lakehead has nothing to do with television but puts in an application for a television licence, then the presumption is that it will start with a slight advantage over any applicant who is not already in the radio field at the present time?

Mr. McGRATH: Not in a marginal market.

Dr. STEWART: The other station would have that advantage in its favour, but the independent applicant would also have something in his favour and the board would have to weigh these factors in the particular case.

Mr. CREAGHAN: It looks to me as if each case is determined on its own merits.

Mr. ALLISON: That is right.

Mr. FISHER: I should like to ask one more question. I should like to ask Mr. Allison, did he receive any representations of any kind of a personal nature from any active politician, any elected politician, in regard to this case?

Mr. ALLISON: I certainly did not, and I have no knowledge of the politics of either party. This is carrying it one stage further.

Mr. LAMBERT (*Parliamentary Secretary to the Minister of National Revenue*): May I interpose on Mr. Fisher's questioning? If a member of parliament is resident in an area, surely he has the right in his capacity to make representations as much as any other resident? He is not a second class citizen.

Mr. FISHER: You are confusing me. My point is that I think he should be listened to with more respect than other people, and in this particular case it does not seem to me that this happened. I feel Mr. Henderson had a very good case and I am disappointed that he lost.

Mr. CREAGHAN: But did the witness not qualify that? He said that Mr. Henderson, after hearing the evidence, agreed with the board's decision.

Mr. HORNER (*Acadia*): I do not think he did.

Mr. CREAGHAN: That is what the chairman of the B.B.G. said.

Mr. HORNER (*Acadia*): My question is on a different subject and deals with Canadian content of programs as provided for in section 10 and regulation 6 of the radio and broadcasting regulations. Will it be fair to say that in asking television stations to comply with your rule of 45 per cent Canadian content this was done in order to promote and ensure greater use of Canadian talent? Would that be a fair statement to make?

Dr. STEWART: There are two sections in the act which I think are related to section 6 of the regulations. One is section 10 which uses the words "basically Canadian in content and character with reference to the service", and the other is section 11 where it says: "the board may make regulations . . . for promoting and ensuring the greater use of Canadian talent by broadcasting stations". These have a bearing on the regulations.

Mr. HORNER (*Acadia*): Have you ever considered how this applies to the Canadian Broadcasting Corporation in programs that may have Canadian content, but the only person the C.B.C. hires is a non-Canadian guest star? While the subject may be Canadian the greatest expense is directed towards outside talent. Do you think this complies with your proposed idea to promote Canadian talent?

Dr. STEWART: Regulation 6, which applies to the corporation as well as to other broadcasters, provides that any program which is produced in the studios of a licensee or with the remote facilities of the licensee will be given a Canadian content classification. This is section 6 (4a) and reads as follows:

Any program produced by a licensee

- (1) in his studio or using his remote facilities, and
- (2) to be broadcast initially by the licensee

This makes it possible for American performers to be incorporated into a program which is produced in the studios of a licensee, and under these conditions such a program will be given a Canadian content classification.

Mr. HORNER (*Acadia*): I shall deal with a specific example and shall not go back too far. About a month or two ago there was an hour long broadcast of the Winnipeg rodeo, and the imported star, so far as broadcasting was concerned, was an American commentator. In your opinion would this be a Canadian content show?

Dr. STEWART: Presumably it was produced with the remote facilities of a broadcasting station in Canada and therefore it would be a Canadian content show.



Mr. HORNER (*Acadia*): Therefore you are saying any show produced by the remote facilities of the Canadian Broadcasting Corporation is a Canadian show?

Dr. STEWART: That is right.

Mr. HORNER (*Acadia*): It does not matter who they employ on that show.

Dr. STEWART: Excuse me. The word is not a "Canadian" show, but it is given a Canadian content classification for the purpose of determining the 45 per cent.

Mr. HORNER (*Acadia*): In other words, it does not really matter who they employ as stars or anything else on that show, as long as it is produced by Canadian facilities.

Dr. STEWART: That is the regulation and the interpretation of it, as it stands.

Mr. McGRATH: The same would apply to telecasting Canadian football, where most of the players are non-Canadian.

Mr. FISHER: Except in the college league.

Mr. HORNER (*Acadia*): One may have an opinion on that, but that is aside from the point.

I am quite concerned about this idea of promoting Canadian talent and the difficulties which have been experienced in the board asking broadcasting stations to comply with this 45 per cent content ruling because, if the ruling is not going to develop and promote Canadian talent, then I think you are working undue hardship on broadcasting facilities. I see where news commentaries are rated as Canadian content. The C.B.C. hires a man like James M. Minifie in New York on a steady payroll or contract to work for the C.B.C. on a news commentary basis. Now, to me, I cannot see it. He is the only star of that particular show, and I cannot see how it can be rated as a Canadian content show with the view in mind to promote and develop Canadian talent.

Dr. STEWART: I can assure you that we are very well aware of the difficulties of defining and applying a regulation of this kind. In marginal cases it is often very difficult to justify the particular case or determine it one way or the other. This is inevitable in applying a regulation of this kind. On the other hand, I can assure you there is no question at all that this regulation, as far as the private stations are concerned, has resulted in the increased use of Canadian talent.

Mr. HORNER (*Acadia*): I just want to point this out. Section 11 (e) of the Broadcasting Act reads: "for promoting and ensuring the greater use of Canadian talent." I would like to emphasize that word, "talent". I would think that Canadians, operating a facility, would not be qualified. This would not, in my interpretation of the word "talent" be classed as talent. You said anything that is produced by the Canadian broadcasting facilities would be considered Canadian talent. But this, to me,—and I might be away out on the definition of talent; and I agree it may be an intangible word to pin down—is not Canadian talent. I do not think technicians would be considered under that phrase as talent.

Dr. STEWART: Well, in our view, the problem of technical talent is as important as the problem of artistic talent in the development of Canadian broadcasting. I would think, in many situations, the problem of production of Canadian content programs would be as much a problem of getting competent direction, competent camera work and so on, as it would be of finding competent performers. The two must go together in the development of Canadian broadcasting.

Mr. HORNER (*Acadia*): To a vague extent. However, I would put greater emphasis on talent—and for this reason—and I hope you agree with me—



that once the technical ability has been found—in other words, if I am a photographer working for a studio, I should be able to take the role of a technician, whether I am filming a person on a news content program or a fellow singing western songs; from a technical point of view I should be able to do both, in my opinion. However, there is a much wider scope for developing talent in the, more or less, other aspect—the amusement or the actual doing of the program. In other words, once you have developed the technical ability to operate a studio, there is no further room for the development of this talent, unless the continued expansion of other stations continues to take personnel from your staff, or something like that. But, in the development of talent for the shows, you have so many different varieties of production that this is a much wider scope, and I think that when the act says it is for promoting and developing a greater use of talent, it means those persons actually participating in the show. I would hope that the B.B.G. would take a very close look at this and make sure that in the use and classification of this 45 per cent Canadian content they are concerned more with the talent aspect, as I understand it, rather than the technician aspect, which you will apply as well; but certainly there is not as much scope for it.

Dr. STEWART: I think perhaps the board itself, in fact, views it in the same way as you do, Mr. Horner. In setting these things up, a number of different situations were discussed. Supposing, for example, the Chinese ballet or some travelling orchestra goes through Canada and the station provides them with the facilities and produces the program. We were asked specifically whether this might be considered as Canadian content in so far as computing this 45 per cent, and we agreed this could be done. Now, perhaps this is one case. On the other hand, it was the simplest possible thing to say that whatever the station produces in its own facilities and with its own facilities, we will take as Canadian content.

Mr. CREAGHAN: I presume that this rule which you have just explained is flexible enough that it might be enforced a little more rigidly in later years, when the target is easier to reach. I must say that I am in sympathy with Mr. Horner. I think that an all-Canadian show, as opposed to one with a lot of imported performers, should perhaps be given a higher rating in so far as qualifying at the 45 per cent. I am wondering if, in the years ahead, the board may put a stronger or more rigid interpretation on it, once the target is easily met.

Dr. STEWART: Well, the percentage goes up to 55 per cent next year, so that there is a continuing problem of meeting it, even under the existing conditions.

Mr. CREAGHAN: But it might be easier to meet the 55 per cent in 1962, if it were possible to give a little more credit for what I call an all-Canadian show, as opposed to one that is mixed.

Dr. STEWART: 150 per cent Canadian?

Mr. CREAGHAN: Perhaps.

Mr. HORNER (*Acadia*): To follow this up, this is what I am concerned with. It is that you are going to apply 55 per cent Canadian content in a year's time on the broadcasting facilities of this country. As I interpret the ruling, any play produced in Great Britain is rated as half Canadian content. Is this true?

Dr. STEWART: Yes.

Mr. FISHER: And, France?

Mr. HORNER (*Acadia*): Yes, and France. If it is desirable to have this Canadian content, I would rather see a 5 per cent or a 10 per cent Canadian content, and let it be true Canadian content, rather than putting up a fictitious

half-way figure of 45 per cent or 55 per cent, and then have all the modifications that enter into it. News commentaries are on the same basis, no matter whether it is James M. Minifie, an American, or Charles Lynch, a Canadian. This, to me, does not come within my interpretation of 11(e). I do not think the board is fulfilling that particular part, in suggesting the percentage should be increased to 55 per cent from 45 per cent, under the terms in which it is interpreting them.

Another example—and I do not want to elaborate this point, but I feel strongly about it—is the Calgary stampede of a year ago—a truly Canadian show. The C.B.C. hired an American to fly up. I do not know what they paid him, but they are supposed to be looking that figure up for me. He flew up in his own plane from the southern states, and I estimate it would be \$5,000 they paid him to come up and run a commentary on that show. Without a doubt, he was the only participant of the show that they hired; the rest were the fellows that were actually participating in the rodeo. To me, it was a truly Canadian show; however, the C.B.C. never should have been allowed to call it Canadian content, from a broadcasting point of view, because the main person they hired was an American and, in this case, it did not force them, request them, or put them in a position where they had to go out and promote Canadian talent by soliciting or asking for a Canadian to do this job.

Do you see what I mean? There is something definitely wrong in this 45 per cent or 55 per cent ruling. It is not doing what you, I think, intended it to do. I do not think, as a Canadian, that I am satisfied that it is doing what my people in my constituency want or expect it to do. Therefore, I would think that rather than increase the percentage to 55 per cent, you had better just go right back to 5 or 10 per cent and say: Now, this is truly Canadian, and the rest is just blarney; you could throw it on anywhere you liked. Then, two or three years later, you could work up from that 5 or 10 per cent and, eventually, you would arrive at a truly Canadian content which would be, maybe, 45 per cent. As it is now operating, I do not think it is putting the broadcasting situation in its true light.

The CHAIRMAN: Mr. Horner, I think there are an awful lot of other questions to be asked.

Mr. LAMBERT: I think the correct comment on that would be that at the time the two shows which Mr. Horner spoke about were put on, the 45 per cent role was not in effect.

Dr. STEWART: Last summer.

Mr. HORNER (*Acadia*): You are all wet, too.

Mr. LAMBERT: It came into effect only in April of this year.

Mr. HORNER (*Acadia*): The one show was in the latter part of April or the first part of May; the rodeo was in Winnipeg.

Mr. FISHER: In connection with Canadian content, I would like to ask the board whether they consider the situation and the kind of marketing that the American program companies have arranged so that they provide the continuity of a program. I understand one Canadian is trained. The program of which I am speaking is a children's program, which is prepared in Baltimore, and called the Romper Room. Is this going to rate as Canadian content? If Mr. Horner has strong objections in this regard in connection with a rodeo, I certainly have a deeper criticism, where the script and the lines are produced in the United States. What is the ruling on that program?

Mr. FISHER: Why?

Dr. STEWART: Because it is produced by Canadians in the facilities of the stations.



Mr. ALLISON: Of course, the chief performers are all Canadians—the children, plus the girl who is looking after them.

Mr. FISHER: You will get a clear situation here, then, of American influence, I must say that although I do not know the calibre of the program, I have heard various opinions about it. However, I understand it is considered to be in the field of education and, if so, and if you are going to have the props and the script prepared in the United States, and then call it a Canadian program—well, I don't know.

Mr. HORNER (*Acadia*): I agree 100 per cent.

The CHAIRMAN: What about the production of a Shakespearian play?

Dr. STEWART: My understanding is that it is only the format, which is copyrighted and must be followed, but that the actual performance of the program on different stations differs quite considerably.

Mr. FISHER: Will you give us your assurance that you will watch this particular program?

Dr. STEWART: We do watch it. One of the things we have checked up on with the stations is that there has been a practice in some stations of using the so-called teacher to give the commercials, and we have advised the stations we consider this is improper, in view of the kind of program this is. We are in touch with the Romper Room program.

Mr. FISHER: So this particular program, sir, you feel, is going to be uniquely Canadian.

Dr. STEWART: I am not prepared to use those words, no.

Mr. FISHER: I have before me some quotations from a criticism of the Canadian content rule, written by a man by the name of Robert Fulford, and he says:

At the same time, certain other problems have arisen. Gina Lollobrigida is establishing Canadian citizenship, so it may turn out that her Italian-made movies are Canadian, or half-Canadian. (This is no joke, it is being discussed seriously). "Saturday Night at the Palladium" stars mostly Americans, but is produced in London; therefore, half-Canadian.

Now, Mr. Fulford goes on to say that this rule has turned out to be even sillier than anyone could have anticipated. What is your reaction to criticisms like that? How can you preserve this rule from being considered fatuous and inconsistent?

Dr. STEWART: I do not know how we can prevent anybody who wants to write to the Canadian Forum or any other publication from making an ass of himself. We have dealt with this particular article, and I never have seen so many consecutive inaccuracies in any publication—and that is saying quite a bit, when you are talking about broadcasting.

Mr. FISHER: I am glad to hear that you take exception to the article. I have, as well.

Dr. STEWART: I might tell you that Dr. Forsey is penning a reply.

Mr. FISHER: Dr. Forsey is good at writing replies.

I take it that most of the members of the committee are very anxious that the whole Canadian content conception be to the fore, but how can you keep a ruling from being considered fatuous? Is it true that station breaks are classed as being of Canadian content?

Dr. STEWART: No.

Mr. FISHER: What is the situation going to be in so far as the French and the British receiving the half treatment? Is this going to be a continuing thing or is that going to be taken under advisement in the future?



Dr. STEWART: We have this continuously under consideration. Recently Mr. Allison had an opportunity to discuss it further with the authorities in the United Kingdom. This point came to my mind when Mr. Horner was speaking. There is no question that many of the U.K. people are incensed by this 50 per cent Canadian content, because they give 100 per cent British content to programs produced in Canada. We believe that it is impossible for us to give 100 per cent to Commonwealth productions in Canada and still maintain any reasonable percentage of domestic production. This is the best recognition we can give to the Commonwealth content in return for the recognition which is given to Canadian productions in the United Kingdom.

Mr. FISHER: There is one last aspect of the Canadian content subject upon which I would like to touch. I wrote to you a year ago about the situation with regard to music. I think you will agree that music forms a very large part of any program, even in television—although less, say, than in radio. Now, you will also agree that the overwhelming body of music that is played is produced by non-Canadians; that is, it is written by non-Canadians and, in most cases, arranged by non-Canadians. What are you planning on doing there—not so much under the Canadian content 45 per cent business, but to encourage or to see that Canadian composers and Canadian arrangers have a sort of stake in this Canadian content business?

Dr. STEWART: This particular problem is more significant in the case of radio than it is in the case of television, and we are now in the process of reviewing and revising the radio regulations, which we have not done yet. We have worked up for the board meeting next week some proposals for amendments of the radio regulations, and one of the proposals that we are making has to do with this particular problem. I would like to indicate Mr. Chairman, what this is, although it is still subject to the board's consideration. I would like merely to indicate the thinking which has developed on this. The problem, particularly in radio, is the determination of what is Canadian content, and this we have recognized would be extremely difficult. What we are proposing is that with reference to section 11(1)(e) of the act, the radio regulations require that each year the station report to the board what the station has done in order to meet the requirements of section 11(1)(e)—and that is the one which requires the promotion and encouragement of the use of more Canadian talent. In other words, if the board accepts this regulation, which we are putting up for the August hearing, and if it stands and is incorporated, then every station will have to report annually what they have done in order to increase the use of Canadian talent on their station.

Mr. FISHER: And this will include music—specifically Canadian music and Canadian composers?

Dr. STEWART: That is right.

The CHAIRMAN: Have you a question, Mr. MacEwan?

Mr. MACEWAN: I wanted to clear something up, although it is not in connection with Canadian content.

The CHAIRMAN: Is yours in this connection?

Mr. MCINTOSH: Part of it is.

The CHAIRMAN: Proceed, Mr. MacEwan.

Mr. MACEWAN: It is in the initial statement of Dr. Stewart that it would not be possible for affiliates of the C.B.C. to carry the Big 4 football games, and I was wondering why. I do not quite understand the reasons for it. Is it because the C.B.C. had reserved it for other programs during that time—perhaps other sports programs?

Dr. STEWART: That happens to be the case.

Mr. MACEWAN: Would you know what programs?

Dr. STEWART: Yes. As I understand it, after some negotiations with respect to Big 4 football, the C.B.C. entered into contracts for a program covering a wide range of sports activities. Most, or a large proportion of them, duplicate the time of the football games.

The CHAIRMAN: Mr. Creaghan is next.

Mr. CREAGHAN: If these should be American played football or baseball games, covered by C.B.C. technicians, will they be classified as Canadian content? Say, if they send a crew of Canadians down to Boston or New York to cover a football game?

Dr. STEWART: No.

The CHAIRMAN: Would you proceed, Mr. McIntosh?

Mr. MCINTOSH: I would like to ask Dr. Stewart a question—and it has nothing to do with Canadian content. I should like to ask if you remember making this statement on March 21:

It is therefore our belief that, when we receive the application, it has met all the technical requirements under the international agreement, as well as the domestic rules. We assume that it is correct.

Dr. STEWART: Yes.

Mr. MCINTOSH: Do you still have that same belief?

Dr. STEWART: The substance of this is that when we receive an application passed to us from the Department of Transport it has been cleared in these matters.

Mr. MCINTOSH: Yes, and the technical requirements.

Dr. STEWART: There have been some occasions on which we heard applications before the department advised us.

Mr. MCINTOSH: Will you agree that under the act there are only two places where you can attach a condition or recommendation which you send back to the Department of Transport?

Dr. STEWART: No sir. My advice from counsel is that we can attach any condition we wish.

Mr. MCINTOSH: Including a technical change?

Dr. STEWART: On any matter. It is not beyond the competence of the board to make a recommendation which includes any condition.

Mr. MCINTOSH: Have you people on your board who are competent to make these technical recommendations as you see fit?

Dr. STEWART: We have a competent technical adviser on our board.

Mr. MCINTOSH: On your board?

Dr. STEWART: Yes.

Mr. MCINTOSH: Is he part of the Department of Transport or is he attached to the board?

Dr. STEWART: To the board.

Mr. MCINTOSH: Only to the board?

Dr. STEWART: Yes.

Mr. MCINTOSH: With that thought in mind, would you think it advisable in future that applicants should apply first to the Department of Transport before their applications are made to you, or do you think it would be much wiser for an application to be submitted direct to you first and let you make your own technical recommendations on it?

Dr. STEWART: I think I dealt with this question yesterday and in our view we think there would be no great advantage in presenting the whole thing

to the board. In fact we see some advantages in having the department deal with these matters.

Mr. McINTOSH: What advantage would that be? You could select or choose the applicant in the first place, advise him of the technical requirements necessary, and then he could come back to the board.

Dr. STEWART: I am sorry, I do not quite follow you.

Mr. McINTOSH: I am saying that you as a board could select any applicant you wished, for any particular purpose you wished, advise him as to the technical requirements for the particular projects involved and then tell him to submit his application for a licence under the technical advice of the adviser in the Department of Transport.

Dr. STEWART: I think this would be highly inadvisable.

Mr. McINTOSH: Why?

Dr. STEWART: It would be inadvisable to select an applicant without having any technical brief prepared and then, having selected him, on your basis say to him "go ahead and prepare the technical brief".

Mr. McINTOSH: Then you do not believe the conditions set out in section 12 (5) and section 13 (1) and (2) were put in for any particular purpose if you can submit any recommendation you think fit? What was the reason for including sections 12 (a) and 13 (1) and (2)? What is your opinion? I have the act here.

Dr. STEWART: You are referring to section 12 of the act?

Mr. McINTOSH: Section 12 (5).

Dr. STEWART: That reads as follows:

Every licence issued before or after the coming into force of this act is subject to the condition that the licensee will comply with the provisions of this part and the regulations.

Mr. McINTOSH: Yes, and I am asking why you put any conditions in there if you can make any recommendations you see fit?

Dr. STEWART: The minister for transport issues the licence, and we are the board which makes recommendations to the minister.

Mr. McINTOSH: That is all?

Dr. STEWART: Yes.

Mr. FISHER: Is it your belief, Mr. McIntosh, that there is no point in people competing for a licence having to go to all the trouble of lining up a technical brief if the board can come along and recommend changes and alterations?

Mr. McINTOSH: I am dealing with the question of their getting approval from the Department of Transport first before they submit their applications to the B.B.G. This does not mean anything if the B.B.G. can make changes as they see fit. I am suggesting that the B.B.G. are attaching a condition to their recommendations that they have no authority to attach under the act. I say that under the act there are only two instances where they can attach conditions, sections 12 (a) and 13 (1) and (2). Do you disagree with that contention? I do not think that is what was intended.

Dr. STEWART: The point is the board does not attach any condition to the licence. This is done by the minister of transport. The board makes recommendations to the minister of transport and, on the advice we have, the board is competent to make a recommendation, subject to certain conditions. The board, however, does not issue the licence or make the licence subject to these conditions.

Mr. McINTOSH: On what conditions can you make a recommendation? You say "any condition".



Dr. STEWART: The advice I have from counsel is that the board can recommend any condition it wishes to suggest.

Mr. McINTOSH: Yes, but you spoke about certain conditions and now you say any condition.

Dr. STEWART: I mean in a particular case the particular conditions which the board thinks it should recommend.

Mr. McINTOSH: But in the evidence you gave us you stated that when an application comes to you you think it is technically approved by the D.O.T.

Dr. STEWART: It is technically acceptable to the D.O.T.

Mr. CREAGHAN: That has to be done before you can get a date fixed for a hearing.

Mr. McINTOSH: What I am getting at is that it has no meaning whatsoever if the board can determine all technical conditions for applications.

Mr. CREAGHAN: It is a condition pursuant to an application being heard?

Mr. McINTOSH: Yes. I should now like to ask Mr. Allison what he meant when he gave this evidence. I am referring to the answer he gave in reference to an application for a satellite. He was referring to the Swift Current station and he said:

In other words he would lose nothing, although it would certainly cost him money to put in these two satellites.

Could you explain that statement?

Mr. ALLISON: Yes I can, and I gave some further explanation at the beginning of today's hearing. By the Kindersley,—the Stranraer contour—he would lose \$10 an hour on his card rate from the C.B.C., but if he went ahead and built the Val Marie and other small satellite at East End he would pick up virtually the same number of people that he lost to the north, and therefore the C.B.C. card rate per hour would be unchanged. We were trying to agree with the C.B.C. in between these hearings because it was our concern that Mr. Forst and his station would not be whittled down by the recommendation for the other satellite, the Stranraer satellite.

Mr. McINTOSH: The card rate is what the C.B.C. pays these private stations?

Mr. ALLISON: Yes, and I went on to add there might be some disadvantageous effect on Mr. Forst in the business that he would acquire outside the C.B.C.

Mr. McINTOSH: In the Kindersley area?

Mr. ALLISON: In his own Swift Current area because he would not have an increasing audience, which he sought. This is the selective rate and he might suffer some loss of advertising on a selective basis. This is to differentiate it from the C.B.C. business that goes to him.

Mr. McINTOSH: You realize these two areas built the satellites themselves and just used Mr. Forst to approach the B.B.G.?

Mr. ALLISON: Yes.

Mr. McINTOSH: You also realize it is going to cost Mr. Forst a lot of money each year to maintain them? You also realize his financial position is jeopardized in that he will not get any further advertising from the Kindersley area for television? How would he not lose money?

Mr. ALLISON: As I said a minute ago, I made some further remarks at the opening of today's sitting in which I explained that the cost for these two satellites as given by Mr. Forst, was between \$8,000 and \$10,000, which was being put up by organizations in the two areas, East End and Val Marie, but that he was responsible for the engineering and preparation of the brief, and

for the maintenance of these two five watt transmitters. I do not know what his income is from the Kindersley area or from East End. Perhaps he gave this in evidence but I do not remember it.

Mr. McINTOSH: It has been your policy to build the smaller stations up into a more competitive position with the larger stations? Has that not been the general rule of your policy in the past?

Mr. ALLISON: Yes, I think so, and laterally we have approved a variety of satellites, particularly to help out those supplementary affiliates of the C.B.C. who had a rather thin time.

Mr. McINTOSH: Would you not admit your decision in this case was the absolute reverse of what your policy has been?

Mr. ALLISON: No, I would not say it is the reverse. I said yesterday the board was sympathetic to Mr. Forst and his station on the basis of his financial position. We wanted Mr. Forst, from financial considerations, to be able to have the satellite. He needed it more than CFQC in Saskatoon. There were a lot of factors which I tried to set out yesterday, and I referred in particular to the greater coverage provided by the CFQC satellite. We must be concerned about the greatest good to the greatest number and CFQC was going to include Wilkie and Unity, which were two spots wishing to have television coverage and which the board did not feel would be properly serviced by Mr. Forst's satellite in Kindersley.

Mr. McINTOSH: Mr. Allison, do you realize that Doctor Stewart said in a letter that the board had always been sympathetic to Saskatoon and felt it should have the station?

Mr. ALLISON: No, I do not.

Dr. STEWART: I should like to see that letter.

Mr. McINTOSH: I have a copy right here.

Mr. ALLISON: I think you must be reading it out of context.

Mr. McINTOSH: Would you like to read it?

Mr. ALLISON: Yes, I would love to read it.

Dr. STEWART: I remember making the statement perfectly well, and I know exactly what I had in mind when I wrote it.

Mr. McINTOSH: Will you read the letter?

The CHAIRMAN: Do you wish to have it read in full?

Mr. McINTOSH: Read the second paragraph.

Mr. ALLISON: That paragraph states:

The board found difficulty in deciding between the conflicting applications for channel 3. In terms of distribution of population in relation to grade of service and community of interests the board always felt that the Stranraer application was to be preferred. On the other hand, we were not unaware of the relative economic position of the two stations.

In referring to the letter you did not mention distribution of population or community of interests, and that is why I felt you had taken it out of context.

Mr. McINTOSH: We shall come to the question of population. You also were advised by the C.B.C. that the Saskatoon station would serve roughly 31,000 people more than the Prince George satellite. Is that right?

Mr. ALLISON: Well, I think it is double the number of the Swift Current figures. It is 43,000 to 20,000 of the other.

Mr. McINTOSH: You admit you were given the figures by C.B.C., but Mr. Forst submitted they were wrong.

Mr. ALLISON: Our figures come from more sources than the C.B.C. Our figures also come from the Department of Transport, and we also get figures

from the applicants. Also, this afternoon we produced the contour maps showing the coverage area of the *a* and *b* contours of both satellites.

Mr. McINTOSH: Would you not admit that a postal survey of the actual postal deliveries in these areas is another good source?

Mr. ALLISON: There is some objection to a postal survey and I am told that a lot of them are outdated. A lot of them are done by people who are not regarded in the same terms as census takers.

Mr. McINTOSH: Would you say they are more outdated than the sources from which you got your figures?

Mr. ALLISON: I cannot answer that.

Mr. McINTOSH: But the postal survey shows that 14,339 are served by Swift Current and Stranraer serves 14,163, almost 200 less.

Mr. ALLISON: You are now talking about duplicate homes, I believe. I tried to give you a rough estimate a moment ago of the total number of homes served by the two satellites.

Mr. McINTOSH: Would you also admit that Saskatoon now services somewhere in excess of 60,000 sets?

Mr. ALLISON: I would think this is a reasonable figure, based on the population of Saskatoon and surrounding areas.

Mr. McINTOSH: And the Swift Current station only services about 17,000 sets?

Mr. ALLISON: I think I have seen it as low as 14,000 at one time.

Mr. McINTOSH: And you feel that giving the station to Saskatoon, which was in a far better financial position, you were in turn protecting the smaller station?

Mr. ALLISON: I did not say that. I said that by taking the *a* and *b* contours of the Saskatoon application for Stranraer and by having them pooled in this, had done some service to Mr. Forst's station, and this was something for which the board was glad in view of the fact that other elements indicated the best service to the greatest number of people would be provided from the Stranraer satellite.

Mr. McINTOSH: You were not interested in the areas east of Saskatoon. Your concern was mostly west of Saskatoon?

Mr. ALLISON: It was mainly west of Saskatoon and northwest of Saskatoon.

Mr. McINTOSH: And by your decision you realize you have hit the Swift Current station so that there is no place for it to expand? On the east they have the Moose Jaw station, on the north they have the Saskatoon station and to the west they are also prevented from developing further. I think you will admit Saskatoon has another area still, which is to the east?

Mr. ALLISON: I do not think so. There are other pending applications before the board which do not involve Saskatoon and which, to the best of my present knowledge, are likely to go to other broadcasters.

Mr. McINTOSH: Then it looks as if the reasons why you gave the station to Saskatoon rather than Swift Current are quite obvious. Could those same reasons apply when you compare them to the reasons you used when you gave the North Battleford satellite to Prince Albert?

Mr. ALLISON: Well, you have to take a balance of all the elements. That is the problem.

Mr. McINTOSH: What are these elements?

Mr. ALLISON: There are no second place prices in this sort of business.



Mr. McINTOSH: What are the elements which you have to evaluate. Are they culturalwise, and do they include the availability of roads into the places concerned? Are those any of the reasons?

Mr. ALLISON: In the Prince Albert, North Battleford case I think there is some community of interests between two stations of more or less similar size. They are both, it is true, well out on one of the spokes of the hub from Saskatoon, and they both probably do more trade with Saskatoon than they do with each other. There is also an element of grade of service to help the supplementaries up where they could be helped. The Prince Albert station would have a chance to expand in this direction, and this was one way of helping that particular supplementary affiliate to expand. I would insist it was the same motivation that the board had in trying to help and being terribly sympathetic to Mr. Forst's application.

Mr. McINTOSH: Do you mean to say you had the same sympathy for Mr. Forst as you had for the Prince Albert station?

Mr. ALLISON: In our view, and there were a great many other things.

Mr. McINTOSH: What other things?

Mr. ALLISON: There is a great deal more to the job than that. There was that part of the population to be considered. They could get television from Prince Albert and North Battleford. These are both small satellites.

Mr. McINTOSH: Small satellites?

Mr. ALLISON: Yes.

Mr. McINTOSH: You mean the Prince Albert satellite covers a larger area than the Saskatoon satellite?

Mr. ALLISON: No, I said they were better small satellites. The board had taken the precaution of moving channel 3 down there to cover the greatest number of Canadian people.

Mr. McINTOSH: Mr. Pickersgill made a comment on June 13 when you were referring to Saskatoon and Swift Current. He said:

It is evident Mr. Allison still belongs to the railway age.

Mr. Allison then answered:

I live there.

meaning in Saskatoon.

Mr. ALLISON: I went on to add that I had entered the space age.

Mr. McINTOSH: How long did you live in Saskatoon?

Mr. ALLISON: Seven years.

Mr. McINTOSH: And what was your position there?

Mr. ALLISON: I worked on the Star Phoenix newspaper.

Mr. McINTOSH: You also said:

We also had to think of one other factor, and that was the programming of the station. I think it was quite clear to the board at any rate that there are more C.B.C. programs carried on the Saskatoon station than on the Swift Current station.

Are all C.B.C. programs Canadian content?

Mr. ALLISON: No, of course not. I made a slight revision to that remark the first thing this afternoon by producing a log for the two stations, from which I read. In fact I pointed out that the Saskatoon station carried about four hours less of C.B.C. programs in one week than had the Swift Current station.

Mr. McINTOSH: In other words, you think Canadian content is the most important of the two, seeing that Canadian content are C.B.C. programs?

Mr. ALLISON: They are interchangeable, Mr. McIntosh. Certainly C.B.C. programs are made up of 45 per cent Canadian content, and better.

Mr. McINTOSH: Can you show that at any time the Swift Current station was the highest in Canada for carrying Canadian content programs?

Mr. ALLISON: Not that I know. It is possible.

Mr. McINTOSH: Can you get that information here?

Mr. ALLISON: Oh yes, French stations would be higher, but this is talking about the English station.

Mr. McINTOSH: Have you any comparison as to Canadian content between the Swift Current station and the Saskatoon station over the period of the last year?

Mr. ALLISON: No, during the noon hour today I had our log checking department pick out two weeks at random. One was in May and the other in early June.

Mr. McINTOSH: And the Swift Current station was tops in both?

Mr. ALLISON: It was tops by four hours a week in both, which information I gave the committee after it assembled this afternoon.

Mr. McINTOSH: Could you say which two weeks you picked out?

Mr. ALLISON: I can give you one of them. I gave it previously and it is in the record of today's meeting. It covers the week May 21 to May 27 of this year.

Mr. McINTOSH: I think if you go back you will find your whole statement here is wrong.

Mr. ALLISON: Well, I would like to point out another place where I erred. I was speaking from memory yesterday, and today I made corrections without anyone asking me for corrections. The figures for the Swift Current station were 46 hours and 20 minutes of C.B.C. programming and for the other 32 hours and 45 minutes.

Mr. McINTOSH: I have another question relating to a question asked by Mr. Pickersgill. He asked:

Was the board impressed by representations made by the Swift Current station, as I understand this, that without this tributary territory, their whole position would be in jeopardy, and that it was a great question whether or not the station could survive.

Mr. Allison answered:

Yes. I think to some extent he has made it out since in letters, certain of which I have seen copies. I am not entirely in agreement with them.

The CHAIRMAN: Could you give the number of the page?

Mr. McINTOSH: Page 871 of the proceedings of June 13, number 29.

Mr. ALLISON: Do you want me to comment on that?

Mr. McINTOSH: Yes.

Mr. ALLISON: At the beginning of today's session I quoted the sentence from Mr. Forst's brief, and I quote it again:

We have enjoyed a fair measure of success in our last three years of telecasting.

Then I went on to say I had looked up during today's noon hour the figures for the profit position of both the television and radio stations principally owned by Mr. Forst. I found that, while I cannot reveal the figures, he had pulled up in his last financial statement available to us, which was in the year ending December 31, 1959, to a fairly tidy profit. We are not at liberty to make disclosures as to what private profits are. In the previous year he had just got by. He was just seeing a margin of revenue over expenditure—very very slight. The last year, as I say, he had made what I considered to

be a tidy profit. Then, in radio for the last two years, of which we have records, he had made similar tidy profits.

Mr. McINTOSH: That is radio.

Mr. ALLISON: Yes, and on television.

Mr. McINTOSH: Which radio station has he got?

Mr. ALLISON: CKSW, the Swift Current station.

Mr. McINTOSH: He is the director of that; he has no other interest in it.

Mr. ALLISON: He has a financial interest.

Mr. McINTOSH: He has 51 per cent in the TV station and a much lesser percentage in the radio station.

Mr. ALLISON: Yes.

Mr. McINTOSH: So you cannot relate two separate companies together, although he seems to be a director of both—and he is the only one who is a director of both.

Mr. ALLISON: Yes.

Mr. McINTOSH: Then would you say that he is, as you have said here, in no worse position, now that you have granted this area north of Swift Current to Saskatoon?

Mr. ALLISON: I would not say that.

Mr. McINTOSH: You said it here.

Mr. ALLISON: I do not think I said it exactly that way.

Mr. McINTOSH: Let me read it to you. It is on the same page, No. 871:

I think he has a pretty good case, because he has managed up to this point at least to pay off his indebtedness in jig time, of which he is pretty proud. And if his rate from the corporation does not suffer at all, and if he goes ahead with his two little satellites, then he is in no worse position vis-à-vis the corporation.

Mr. ALLISON: Now, I think I went on further beyond that:

but it is fully possible that he may not get the amount of selective advertising—that is, from advertisers other than through the corporation—as a result of having a smaller audience in comparison to some other prairie stations.

Mr. McINTOSH: Yes, that is right.

The CHAIRMAN: Mr. McIntosh, I am afraid we have miscounted. We have only nine left in this committee. I think we will have to rise.

Mr. LAMBERT: Mr. Horner did not send down his replacement.

Mr. PUGH: Yes, he did.

Mr. FISHER: The C.N.R. committee meets tomorrow.

Mr. PUGH: Let us go on.

The CHAIRMAN: We cannot, legally.

Mr. LAMBERT: Well, as a compromise—we have been carrying on since some time just before three o'clock, and there are others who would like to see what is going on in the house, and they are balancing their interest here with what is going on there—perhaps we should adjourn. I would like to participate upstairs, as well.

The CHAIRMAN: According to the order of reference, our quorum is ten. I am afraid I miscounted when I let Miss Aitken go.

Gentlemen, I think we will have to adjourn. The next meeting will be held at nine-thirty tomorrow, and not at ten, I hope.



THURSDAY, June 15, 1961  
9.30 a.m.

The CHAIRMAN: Good morning ladies and gentlemen. We have a quorum and the meeting will come to order. I have had representations from the C.B.C. concerning the amendment announced by the chairman of the B.B.G. They would like to write an opinion on this and submit it to the committee. I think it is probably only fair they should, because they are the ones most involved in it. I further think we should take it under advisement and add it as an appendix to the minutes of the meeting to be held on next Tuesday. Is that agreeable?

Some hon. MEMBERS: Agreed.

Mr. MACDONNELL: Will we have an opportunity to discuss their representation with them?

The CHAIRMAN: I do not think so. We shall have to discuss them ourselves in camera when we are meeting to write our report.

Have you any announcements, representations or statements to make, Doctor Stewart?

Dr. ANDREW STEWART (*Chairman of the Board of Broadcast Governors*): No, sir.

The CHAIRMAN: Mr. McIntosh, you had not finished your questioning yesterday.

Mr. MCINTOSH: I should like to put my questions in two parts. First I should like to question Mr. Allison and then Doctor Stewart.

Mr. Allison, when I was questioning you yesterday you stated when I asked you certain questions on the evidence as reported in the minutes of the meeting of June 13, that some of the evidence was not according to facts, and you had corrected it at a subsequent meeting. Is that correct?

Mr. CARLYLE ALLISON (*Vice-Chairman, Board of Broadcast Governors*): That is correct.

Mr. MCINTOSH: Do you at this time wish to make any further corrections before I continue my questioning?

Mr. ALLISON: Mr. McIntosh, I would be glad to read the population figures into the record. You asked about these but I did not have them with me. I think I ventured the recollection one was 40,000 odd and the other was about half of that. I believe that is roughly what I said. The figures as submitted to the board at the original hearing of these two applications—

Mr. MCINTOSH: These were figures which were presented by the applicants?

Mr. ALLISON: No; they were figures provided by the Department of Transport, based on D.B.S. census figures for 1956.

Mr. MCINTOSH: That is better.

Mr. ALLISON: These figures in terms of people, not households, were, for the Stranraer satellite 43,661 and for Kindersley, the Swift Current satellite 18,939. Now, after the pull in—that was at the second hearing—of the Stranraer satellite in the direction of Swift Current this took the Swift Current population, by D.O.T. through D.B.S. figures, to 38,402. The Kindersley one naturally would remain the same.

Mr. MCINTOSH: You do not take into consideration the postal delivery figures, as given in Mr. Forst's figures to you, showing that the number of homes served by Swift Current is 14,300 and in the case of Saskatoon 14,000 odd? You do not take that into consideration at all? You have the 1956 census figures but the postal delivery figures are actual deliveries in 1960-61.

Mr. ALLISON: I did not say we did not take them into consideration at all.

Mr. McINTOSH: Why do you not quote them here? You are quoting the 1956 figure in favour of Saskatoon.

Mr. ALLISON: I do not need to quote them as you are quoting them.

Mr. McINTOSH: That is right.

Mr. ALLISON: I would submit you might also like to look at the contour maps which I produced here yesterday. I left one copy behind and presumably you have it.

Mr. McINTOSH: I think you also left the wrong impression with the witnesses.

Mr. ALLISON: Which witnesses?

Mr. McINTOSH: Rather, with the members of this committee. I have the figures right here.

The CHAIRMAN: Are you through, Mr. McIntosh?

Mr. McINTOSH: No. Mr. Allison, as reported at page 869 of our minutes, you made this statement:

Then there was another hearing, Doctor Stewart, if my memory serves me correctly.

I want to ask you, have you been having any trouble with your memory lately?

Mr. ALLISON: I guess no more than all of us do.

The CHAIRMAN: This is not a clinical exposé, Mr. McIntosh.

Mr. McINTOSH: Who do you mean "all of us"—the board?

Mr. ALLISON: No, all of us in this room.

Mr. McINTOSH: In your very first sentence, when giving evidence to the committee on June 13 in connection with the question of satellites for central west Saskatchewan, you stated you had what you called an examination for discovery meeting.

Mr. ALLISON: Yes.

Mr. McINTOSH: Could you give me the date of that meeting?

Mr. ALLISON: I can have it turned up for you. It was held in Saskatoon in the Bessborough hotel.

Mr. McINTOSH: I want the date of it.

Mr. ALLISON: You are quite entitled to this and we shall produce it for you. I think Mr. Forst knows the date. He was there. We might proceed with another question and I shall answer this later.

Mr. McINTOSH: I want the date before I ask my next question.

Mr. PUGH: While that is being looked up, may I ask a supplementary question?

The CHAIRMAN: Yes.

Mr. PUGH: This is in regard to a statement made yesterday on Canadian content. The figure given by the witness for the Swift Current station was 46 hours—

Mr. ALLISON: This was not Canadian content. This was C.B.C. programming on these particular stations.

Mr. PUGH: For Swift Current it was a total of 46 hours?

Mr. ALLISON: Yes.

Mr. PUGH: Have you any figures which would indicate the percentage of Canadian programs Swift Current produces?

Mr. ALLISON: No. However, I think I would certainly agree with Mr. McIntosh that it is high. I and other members of the board have regarded Mr. Forst as a very good operator, and we say nothing against him.

Mr. PUGH: Have you nothing like a vital figure on Canadian content?

Mr. ALLISON: We have not worked these out precisely, except for the newly licenced T.V. stations.

Mr. PUGH: Do they not have to file a record of Canadian content with you?

Mr. ALLISON: Yes, we have a file. Doctor Stewart says the figures are here. We could dig this out.

Mr. PUGH: I would not mind if you brought back to the next meeting some idea as to total Canadian content programs from the Swift Current station.

Mr. ALLISON: I think we may agree it is high. I do not think there is any objection to the Swift Current station whatsoever in that regard.

Mr. PUGH: Is it a fair question to ask, is the figure for the Swift Current station as high as or higher than any other Canadian station?

Mr. ALLISON: I made one reservation yesterday, regarding the French language stations—

Mr. PUGH: I mean for the English station.

Mr. ALLISON: I cannot say exactly, but I would guess it is certainly well up and it may well be the highest. I am not in a position to dispute that.

The date for which Mr. McIntosh inquired was October 20, 1960.

Mr. MCINTOSH: That is correct. In the same sentence you said you had the meeting before either one of the applicants came to the board.

Mr. ALLISON: I do not recall that.

Mr. MCINTOSH: In the same sentence where you started off your evidence on June 13, you said you had a meeting before either one of the applicants came before the board.

Mr. MACDONNELL: What page?

Mr. MCINTOSH: Page 869, a little more than half way down.

Mr. ALLISON: They had not appeared with applications. I believe Mr. Forst had been working on engineering briefs on two channels—channels 9 and 3—and then we did arrange to move channel 3 down to the south central part of Saskatchewan. He then put in his application on a channel 3 basis.

Mr. MCINTOSH: That is correct. You also said that the purpose of the meeting was to see what private broadcasters might do about filling in what we called this big gap in central Saskatchewan. You were trying to get private broadcasters interested in this area. Is that right? You said the date was October 20?

Mr. ALLISON: That is right.

Mr. MCINTOSH: Were you present at the B.B.G. meeting held on February 22, 1961?

Mr. ALLISON: I was present at all of them. I do not remember the specific date of this meeting. I have been at all of them.

Mr. MCINTOSH: I am going to read the first two pages of the brief presented to the board on February 22, 1961 to refresh your memory and to correct some more of the wrong evidence you have provided this committee.

The CHAIRMAN: Mr. McIntosh, is this a long brief?

Mr. MCINTOSH: It is a long brief, but I will only read the first two pages.

The CHAIRMAN: Are you trying to establish a basis for a lawsuit in this case?

Mr. MCINTOSH: Not necessarily. I am not a lawyer and I do not know what the bases are.



The CHAIRMAN: It seems to me there is probably an attempt here to establish some facts or figures in cross questioning the witness, as if it were a lawsuit. I do not think this is the work of the committee, to do legal work for some legal firm. In my opinion, and for what it is worth, this is not a court of law, and if Mr. Forst wishes to enter a suit against the B.B.G., I think he should get a legal opinion as to whether he has a good basis for this lawsuit.

I do not think members of the committee should interfere in a case like that.

Mr. McINTOSH: Mr. Chairman, I am a member representing Swift Current-Maple Creek. This is most important to my constituency and to my constituents. I am not trying to establish the basis for any lawsuit, nor have I questioned a lawyer on this. I went over the brief and composed those questions myself. I have a perfect right to show the committee and the people of my constituency there there has been favouritism shown in the station at Saskatoon.

Dr. STEWART: I resent that statement and deny it completely. If this is the basis of the questioning, I think it is most reprehensible.

The CHAIRMAN: I think the witness is probably correct, Mr. McIntosh.

Mr. McINTOSH: I know Mr. Lambert will be in favour because I have some questions to ask of him also.

The CHAIRMAN: If in your opinion there is something that has been under-hand, I think it is up to the station to establish its opinion at least, and before a court of law—not here.

Mr. McINTOSH: I am also trying to establish that the act should be amended. Why are we here in this committee if I cannot ask these questions?

The CHAIRMAN: In this specific case I think you have tried to establish that there is very broad scope in so far as the powers of the B.B.G. are concerned, and if you would like to recommend that they be changed, then move such an amendment.

Mr. McINTOSH: I am trying to prove they have not got the scope they think they have, by the act.

The CHAIRMAN: That is for the law officers to decide, not for this committee.

Mr. McINTOSH: What is the purpose of this committee?

The CHAIRMAN: To find out facts about the operations of the B.B.G. You say in this case that the B.B.G. has acted wrongly; well, then, let the offended parties sue, but I do not think it should be taken up in this committee.

Mr. McINTOSH: If I cannot take up the facts here, what is the use of going to a lawyer?

Mr. MACDONNELL: Could I ask a question? It would seem to me that Mr. McIntosh is surely entitled to get the facts, but if I understood him correctly, he has just pronounced a judgment on the fairness of the B.B.G., and that would seem to me to be something that we should not go into here. With deference I say that, Mr. McIntosh.

Mr. McINTOSH: Am I not entitled to an opinion?

Mr. MACDONNELL: If I understand the chairman correctly, he is indicating that we, in this committee, should not review the fairness or the integrity of the actions of the B.B.G. It seems to me I would agree with that. That is something that is not within our purview. But I think you are entitled to get the facts which you want to have.

Mr. McINTOSH: All the questions I am asking are based on evidence that has been given before this committee or on the act. I have gone no place else in any of my questions.

Mr. MACDONNELL: You stepped aside from the fact and pronounced a judgment by saying you felt there was favouritism. It seems to me that we here, as I understand it, are not in a position to go into that. I am giving you my own opinion for what it is worth. I feel that Dr. Stewart has been put in an awkward position in which I personally would not have thought he should be put. I am giving an off-the-cuff opinion hoping it may seem fair to you.

Mr. McINTOSH: I said that after the chairman stopped me.

The CHAIRMAN: I cannot understand the basis for your questioning and for the reading. You stated your opinion. You have asked a great number of questions about this particular station. You stated there was favouritism. I do not know if there is anything further you can say to establish your point of view.

Mr. McINTOSH: I have not asked enough questions yet to establish anything.

Mr. LAMBERT: Why was the opinion expressed that there was favouritism? I do not know how that prejudgment can be made.

Mr. McINTOSH: One point is based on your evidence. You state facts in the evidence yourself. I would like to know where you got them. You say:

Is it not a fact that the Swift Current station, in connection with its operations that now exist, has been a reasonably successful one, and, therefore, it does not necessarily need a greater field to maintain its operation.

This appears on page 873 at the meeting of June 13.

Mr. LAMBERT: This is based on previous testimony.

Mr. McINTOSH: By whom?

Mr. LAMBERT: On previous testimony given at the committee.

Mr. McINTOSH: Will you show it to me?

The CHAIRMAN: I think we are taking up an awful lot of time. If you can shorten your questions, we could proceed faster. I do not think the reading of two pages of a brief is going to help. This is not a court of law.

Mr. McINTOSH: All right. I will not read the two pages in the brief, but I just want to say that in the brief of September 1960 Mr. Forst went to the board with his proposal about the satellite, and Saskatoon did not go until long after this meeting that the board had in Saskatoon because they were after the North Battleford satellite.

Mr. ALLISON: When you say "go to the board", Mr. McIntosh, do you mean go with an inquiry or go to a public hearing?

Mr. McINTOSH: I do not know what you meant by your words there.

Mr. ALLISON: He had not made application before this date to my knowledge.

Mr. McINTOSH: They had admitted him in this area.

Mr. ALLISON: This is possible in regard to the channel which might be available there, and this is a subject in which we interested ourselves as making a good channel to cover the greatest number of people.

Mr. McINTOSH: Saskatchewan was not interested in it when it was out in North Battleford. Is that correct?

Mr. ALLISON: I do not think it is correct. I do not think the application was filed, but I think he had done engineering work in the Stranraer area before North Battleford's application was filed.

Mr. McINTOSH: Was it the board, as you state, that initiated the move to have channel 3 moved down to central Saskatchewan, or was it initiated by Mr. Forst?

Mr. ALLISON: I stated a while ago that Mr. Forst had done engineering work on both channels. I think it was our own technical advisor, Mr. W. R. Wilson, who suggested this could be done—to move channel 3 from North Battleford's area to cover a wider segment of Saskatchewan.

Mr. McINTOSH: Then you admit it was not the board that initiated this move?

Mr. ALLISON: No, I will not admit—I did not say this right now. Mr. Wilson is an employee, an officer of this board.

Mr. McINTOSH: In your evidence I believe, Mr. Allison—

Dr. STEWART: I would like to point out that the only way a channel can be moved is by the Department of Transport and it was on the board's recommendation to the department that the channel was reallocated.

Mr. McINTOSH: You were aware, Mr. Allison, that practically all other supplementary stations in Saskatchewan and Alberta now have major satellites—Yorkton at Baldy Mountain, Prince Albert at North Battleford, Red Deer at Coronation, Medicine Hat at Pivot. And Lloydminster has an application pending, and Swift Current has none now and cannot expand?

Mr. ALLISON: These other stations were not in competition with a basic C.B.C. station such as CFQC. This is what made the unfortunate difference here where CFQC did not really need this extra revenue and Swift Current, from the point of view of getting in revenue could have done with it. We recognized this right from the beginning. This is what made the difference in these two applications as against all the other supplementaries.

Mr. McINTOSH: I ask you again, does that apply then when you compared the reasons you gave North Battleford to Prince Albert—was Prince Albert a basic station?

Mr. ALLISON: No, Prince Albert is a supplementary.

Mr. McINTOSH: Is Swift Current a supplementary station?

Mr. ALLISON: Yes.

Mr. McINTOSH: And is Saskatoon a basic station?

Mr. ALLISON: That is right.

Mr. McINTOSH: In one case you gave to a supplementary and in another case you gave to a basic?

Mr. ALLISON: That is right.

Mr. McINTOSH: You knew that if you recommended the licence for Saskatoon it would be an encroachment on the small territory presently serviced by Swift Current station. Is that right?

Mr. ALLISON: We recommended to the applicant from Saskatoon, or we agreed after he suggested it, I should say, that he pull in his contour, his power, to the south, to protect the station in which you are particularly interested, Swift Current.

Mr. McINTOSH: You admit there is still an encroachment on the territory formerly serviced by Swift Current?

Mr. ALLISON: Yes, according to the best accounts we have, he is going to lose 1,000 households.

Mr. McINTOSH: That is correct. You stated you re-heard the submissions from the two applicants to see what could be worked out with fairness to both applicants?

Mr. ALLISON: That is correct.

Mr. McINTOSH: Will you justify to the committee how your decision was fair to the Swift Current application?



The ALLISON: I think I have gone over this exhaustively. I have tried to tell the inquisitor here that we have done our best.

Mr. MCINTOSH: The what? I am a member of this committee, Mr. Allison.

Mr. ALLISON: All right, you are inquiring of me. This is no misuse of the word

Mr. MCINTOSH: That is what you are here for, and that is why I am here.

Mr. ALLISON: That is what I am doing.

Mr. CHAIRMAN: I think this is going very far indeed. This is a repetition of evidence given before.

Mr. MCINTOSH: But some of the answers were wrong. I am trying to get them straight. He admitted himself they were wrong.

The CHAIRMAN: I do not think so. I think he has stated the case about three times now.

Mr. ALLISON: I made my own corrections, too, Mr. McIntosh, when you were not present before this committee.

Mr. MCINTOSH: That is correct, and you made some since I was present, too—if you want me to look at the evidence and prove it.

Dr. STEWART: We would be most happy if Mr. McIntosh would come over some time and sit down with us, and we would be prepared to go over the whole case with him. This may not satisfy him, but we would be happy to do it with him.

Mr. MCINTOSH: I think that in the public interest it should come out at this committee meeting—the action of the B.B.G.

The CHAIRMAN: I know it is very important to you in this area.

Mr. MCINTOSH: Very important to the whole industry, and I want to prove that.

The CHAIRMAN: You have made some statements, Mr. McIntosh, that in effect the B.B.G. have not acted properly in this case. I think, then, it is the duty of yourself and your duty to your constituent Mr. Forst, to advise him that, in the light of your opinions at least, he should be capable of pursuing this in law courts—but I do not think—

Mr. MCINTOSH: This is not just important to Mr. Forst, it is important to all of my constituents, and that is what I am trying to prove.

The CHAIRMAN: The other members of this committee have many constituents as well, and you have been on this for 25 minutes now and for 20 minutes yesterday; that is a total of 45 minutes.

Mr. MCINTOSH: Well, Mr. Chairman, would you go through the minutes of yesterday and tell me how long Mr. Fisher had for questioning. Is there a limitation to this? If so, I was not aware of it.

The CHAIRMAN: Certainly, in all fairness, I think others should be permitted to ask questions as well.

Mr. MCINTOSH: I arranged with you, before this meeting, that if Mr. Fisher wanted to ask his questions first, he could do so; you said you would continue with my questions.

The CHAIRMAN: Not all of them. I did not know at that time how long it was going to go on. I think at this time we will open the doors for others to ask questions.

Is there anyone else who would like to ask questions of the witness?

Mr. FISHER: Well, Mr. Chairman, I do not like to see Mr. McIntosh snuffed off, if he feels he still has questions to ask.

I am only here for a very minor part this morning. I had a fair amount yesterday. It seems to me that Mr. McIntosh is dealing with an aspect of the

B.B.G.'s operations which the committee—or, maybe the steering committee—should examine very closely, because Mr. McIntosh has his case in connection with Swift Current, whereas some of us have had even more doubts, perhaps, than he has, in connection with other licence approvals that have been made by the B.B.G. However, I do not know how we can approach them in committee by examination of the witnesses, once we have the witnesses' position stated.

I would just like to say to Mr. McIntosh that I do not see where you can go from here.

Mr. McINTOSH: Well, I have my own ideas on that.

Mr. LAMBERT: As an observation, Mr. Chairman, and in all fairness to Mr. McIntosh, and to all others, too, I think it is not a function of this committee to be a court of appeal for applicants who are not successful. After all, others could follow the same line. Last year, there were four companies that were unsuccessful in Edmonton, and some expressed rather strong opinions as to the decisions of the board. But, in all fairness, the board comes to a judgment decision based on all the factors. Surely the purpose of this committee is not to serve as a forum for all disappointed applicants.

Mr. McINTOSH: Are you advising the chairman, Mr. Lambert, that my constituents should be represented by bureaucrats rather than elected members of parliament?

Mr. LAMBERT: No, I am not. However, surely, it is not the purview of this committee to conduct a cross-examination of the members of the board with respect to all of the disappointed applicants.

Mr. McINTOSH: I said that I was speaking on behalf of my constituents. They are all disappointed.

The CHAIRMAN: Could we have a little order, please. Is not that the case, in so far as Mr. McIntosh is concerned? As far as I can see, he is quarrelling—or, at least, trying to pass some judgment in questioning a decision made by the board of broadcast governors, and I do not think, Mr. McIntosh, that this actually is the place to do it.

Mr. McINTOSH: I am not doing it here. I have done that other places. I am trying to prove to the committee that this act we are discussing now—the Broadcasting Act—is very loosely put together, and that no interpretation can be taken out of it. I also am trying to prove, as I said before—and which I believe—there has been favoritism shown in the case of Saskatoon. Perhaps that is why some of the members protested too much.

The CHAIRMAN: Well, I cannot agree with you, Mr. McIntosh.

Mr. McINTOSH: I did not ask you to, Mr. Chairman.

Mr. ALLISON: I cannot agree with you, either—and you have asked me a considerable number of questions.

Mr. McINTOSH: I do not agree with you, either.

Mr. ALLISON: Let me put this round statement—

Mr. McINTOSH: Let us get this matter settled first. Am I going to continue with my questioning, or not?

The CHAIRMAN: Well, if you could shorten them considerably and get it over with, I would give consideration to it. However, I would like to know what you are trying to find out, and particularly what part of the act you are protesting.

Mr. McINTOSH: Section 12.

The CHAIRMAN: Subsection (2)?

Mr. McINTOSH: All of section 12.

The CHAIRMAN: Well, I am afraid you will have to leave that up to the committee when it is in camera, Mr. McIntosh, or when we write out our decisions and make our report. I do not think this is the place for it.

Mr. MCINTOSH: How can you, before you have all the evidence of the witnesses before you?

The CHAIRMAN: What evidence are you trying to get out of the witnesses?

Mr. MCINTOSH: Let me plead my case, and you will find out.

The CHAIRMAN: It is taking a very long time.

Mr. MACDONNELL: If I might interject, Mr. Chairman, Mr. McIntosh said, "Let me plead my case." I think a good many of us are troubled by the thought of pleading the case. On the other hand, it seems to me there are matters of fact on which Mr. McIntosh still wants to ask questions, and that would seem to me to be a reasonable request—if it is limited to pure matters of fact, and not of opinion.

The CHAIRMAN: This is what he has been trying to do all the time—give us his opinions. And, that is all very well; he is entitled to do that.

Mr. MCINTOSH: How do you differentiate between the two? Tell me what type of questions you want me to ask.

The CHAIRMAN: The questions that you were asking were quite out of order, I think, even in so far as you were trying to plead a case.

Mr. MCINTOSH: The case about which I am talking, I am doing on behalf of my constituents—and I have a right to do that.

The CHAIRMAN: This is not the kind of tribunal for that.

Dr. STEWART: Might I just briefly comment here? It seems to me that Mr. McIntosh is concerned with two main factors: The first one is that the board, in making its final recommendation to the department in this case, stipulated a condition. Now, I think Mr. McIntosh is questioning the propriety of the board making a condition in its recommendation.

I said yesterday that the advice that we had from counsel was that this was legally proper for the board to do so under section 12 (1), which says that the board shall make such recommendations to the Minister of Transport as it deems fit.

Mr. MCINTOSH: In connection with the application; that is, to defer it, accept it, or reject it.

Dr. STEWART: Any such recommendation as it deems fit. Now, this may be too wide. I think, perhaps, this is what Mr. McIntosh is arguing. If it is, then the act should be changed.

Mr. MCINTOSH: That is half of my argument; the other half is in connection with the merits of the stations.

Dr. STEWART: That is the other part, yes. It is a matter of judgment.

I would submit, Mr. Chairman, this is, in fact, the problem which the board has all the time with competing applications. They have to be weighed on the basis of different characteristics and different conditions, and there is no mathematical formula for adding these things up. These things cannot be put in front of people and added up.

Mr. MCINTOSH: But surely you have a policy to follow?

Dr. STEWART: We have a policy to review all the factors in the application, to weigh and compare them and come to the best judgement the board can. But I do submit Mr. Chairman that the final criterion of the board is not fairness as between applicants but service to the community. Fundamentally, it is on this basis that the board came to its decision in this case.

Mr. MCINTOSH: I am trying to prove to you that some of the information you had when you made your recommendation was wrong.



The CHAIRMAN: I do not think this is the place for it, Mr. McIntosh.

Mr. McINTOSH: He said there were two factors, and he admitted I was right in both of them, and said it was a matter of judgment.

The CHAIRMAN: Oh, I do not think so.

I think we will have to close this off. We have been on it now, nearly 35 minutes.

Mr. McINTOSH: I bow to the ruling of the Chair.

The CHAIRMAN: Are there any further questions?

Mr. FISHER: Dr. Stewart, what is your rule or regulation with regard to news broadcasts and the fairness and completeness of news broadcasts on the part of radio and television stations?

Dr. STEWART: Well, in the case of news broadcasts, as such, provided that the item, which may be of a controversial nature, is presented in terms of news, then this is acceptable. That is to say, for example, on a labour dispute—and I have in mind a particular case—in the news item, if somebody is quoted as having said something with respect to this news item, because somebody said it, it is acceptable; on the other hand, if the item is given as if it were a statement of the station, this is not accepted.

Mr. FISHER: Is there any onus placed upon the television station to give a complete coverage of the news?

Dr. STEWART: This is the whole problem of news and news reporting.

Mr. FISHER: Well, let me give you an example—

Dr. STEWART: All news is selected. Somebody selects it.

Mr. FISHER: You awarded a television licence to a station in Montreal, namely CFCF—Canadian Marconi Limited, and this company is a large supplier of equipment under government contracts. Mr. Notman, who, I believe, is the head of Canadian Marconi, is a director of Canadair.

Dr. STEWART: I am sorry, Mr. Fisher, I cannot accept your facts. It may be that I do not know them.

Mr. FISHER: As I understand it, this is the situation; there is a relationship here. I think you will agree that Canadian Marconi is a supplier of equipment to the government.

Dr. STEWART: I do not know that.

Mr. FISHER: I can assure you it is so. I understand that this particular station carries no opinion at all in relation to the defence situation in Canada. For example, the plane swap deal that took place the other day by the government—which I think to most of us was a satisfactory arrangement of its kind; to me it was a big news item—was not even covered by that station. I think here you have a principle involved: that if an ownership of a station is so involved that it feels it must walk a certain line and that it must not cover certain things because of the dangers it might have to its operations in other areas—

Mr. PUGH: Do you mean like the *Winnipeg Free Press*?

Mr. FISHER: But if you have a situation like this, it seems to me you have a case, if my facts should be true, for the board to make a check, and perhaps come up with some rule or regulation which would be instrumental in keeping news open.

Mr. MACDONNELL: May I interject in that connection? Is Mr. Fisher stating that there should be an attempt made to make a rule which would govern news items which should be put over a certain station? If such is the case, that seems to me to be almost incredible.

Mr. FISHER: If a station has a rule posted up in its newsroom that no releases are to be made in a certain area, it seems to me, in a sense, as we—and that is the government, or the people—have given the station a licence, they should present a fair and all-round picture. Because the ownership of that station has definite fears in this particular sector, they are not going to get into it at all. To me, this is a form of censorship of the news.

Mr. MACDONNELL: I agree. Do you suggest that that condition actually exists?

Mr. FISHER: Yes, it actually exists.

Mr. LAMBERT: On your flat say-so?

Mr. MACDONNELL: Is it on the admission of the station? Are you sure of your facts? It sounds incredible. I am not saying it is.

Mr. FISHER: This has come up before in a number of other committees. I have been informed in this connection from a very reliable source.

Dr. STEWART: We have no knowledge or information bearing on this. However, I am quite prepared to follow this matter up with CFCF, to see what substance, if any, there should be to it, and what significance it has.

Mr. FISHER: I could refer you to a press statement—and I will, presently—which touches on this. However, I am pretty sure of my facts. It seems to me that a general statement with regard to what should be a station's responsibility in this particular field might be worth while. In this particular case perhaps it is innocuous, perhaps it is all right and no great harm is done; but this could have great ramifications when you consider the ownership of so many radio and television stations in Canada is becoming more and more of the kind of corporate organization which extends into much more than just television or radio stations.

Mr. PUGH: Is the suggestion that probably radio and television should be controlled more than the actual written press as to editorial opinion or comment?

Mr. FISHER: No, it is not. This is the next question I was going to ask; that is, whether the board has given consideration to urging television and radio stations to make editorial comment and make it distinct from news.

Dr. STEWART: I can make a statement on what the board is thinking in this area and what we may do. We have taken over from the C.B.C. a document on controversial and political broadcasting which I think needs to be reviewed, revised and amended in the light of our experience in the operation of these things. I do think we have to differentiate—and we have discussed this in the board—between different types of programming which come within sensitive and controversial areas. News is something, news analysis is something else, news commentary is something else, and editorializing is something different.

I think the board should revise this document so as to set out certain guide lines of policy with regard to these different things, so that when a broadcaster announces that a program is of a certain kind then it must conform to certain conditions and must be developed in terms of certain acceptable conditions. Of course, this must avoid any attempt at censorship or the substitution of the judgment of the board for a competent newsman as to what is good news material. We have found, however, that there are difficulties in interpreting the particular character of a particular program. Is it designed to be a statement of opinion, or is it designed to be a statement of news? I think we can clarify some of these points.

On the particular problem of editorializing I think, as do a number of my colleagues, that we have emerged from an earlier situation in broadcasting in which we have been primarily occupied with the position of the single station market or a small market with a limited number of outlets, and our general



approach to the problem seems to be concerned primarily with this type of situation. On the other hand, today when you look at a service area such as Montreal or Toronto with the number of outlets there are it does seem that here a more liberal policy in editorializing might very well be permitted. There are a great number of outlets I would think under these conditions and a wide variety of editorial comment would be expected. This is a different situation, however, from the small locality in which there are only one or two outlets which may have some relationship one to the other.

Mr. FISHER: What is your position with relation to the separation of editorializing from news in respect to these stations which have attachments with newspapers? An example is the situation where Mr. Bassett of the *Toronto Telegram* also happens to be a large shareholder in CFTO. The *Telegram* has been carrying on a campaign in support of certain policies of CFTO and certain attacks upon the C.B.C. in certain articles, as I interpret them. I do not want to suggest that you should preclude the *Telegram* from expressing any opinions, but it seems you do have a delicate area where the owner of a medium which comes under you is using another medium to use persuasion upon the public and to influence public policy. Have you considered this problem?

Mr. McGRATH: Surely what we are getting at here is the freedom of the press. Surely it is the right of any medium to support the policies of another medium in which it happens to have an interest.

The CHAIRMAN: Not according to Mr. Fisher.

Mr. FISHER: You are misinterpreting me. I do not know. I know that over half of the daily circulation in Canada is owned by interests which have interests in radio and television stations. This does present a problem.

Dr. STEWART: I do not think there is any substantial problem in a place like Toronto. It seems that if the *Telegram* or CFTO take a position, it immediately stimulates somebody else to take an opposite position. I would think there is a real problem. The real problem is in a small community where the number of outlets is limited, and by corporate control through these limited outlets you may get a substantially slanted presentation of news information.

Mr. FISHER: Have you any idea how you can meet this problem?

Dr. STEWART: We are proceeding in an attempt to clarify these different elements in the problem.

The CHAIRMAN: Are there any other questions?

Mr. FISHER: I have three short questions on operation.

Mr. McGRATH: May I supplement the questions Mr. Fisher has been asking. It seems to me that this is hitting at the great principle of freedom of press.

Mr. FISHER: Responsibility of the press.

Mr. McGRATH: You actually wish to monitor the radio and television stations, and this is an impossible job.

Mr. FISHER: I am not suggesting that.

Mr. McGRATH: This is the only way to enforce it. Then you must have someone to adjudicate on the newscast. It is an endless problem.

Mr. MACDONNELL: I think what is asked is extraordinarily important. I am interested and a little surprised to note that Dr. Stewart thinks something in the nature of direction or control may be permissible. I am interested in that I wish Dr. Stewart would say more about it.

Dr. STEWART: I did not have in mind control. What seems to me to be important is that if a program is represented by the broadcaster as being of a particular kind, then it must conform to certain conditions. For example, is a program a documentary or is it a dramatic production? What does a station say it is? If it says it is a documentary, then it should conform to certain con-



ditions. There should be a certain approach to a program which is presented to the public as being a documentary. Similarly, if someone says he is presenting the news when in fact he is presenting a commentary, this is a different thing; it should be developed in a certain way and have certain characteristics. If it is a commentary on the news, which in my view becomes an opinionated presentation, it should be clearly stated as such and then conform to certain conditions. This is not control of the material, but is more a question of clarifying in the minds of the public what is the nature of the material which is provided to them.

Mr. ALLISON: It is a labelling rather than control.

Dr. STEWART: Yes.

Mr. FISHER: Perhaps I can make the position clear. Ever since I can remember I have been reading the *Winnipeg Free Press*, and ever since I can remember it has been attacking the C.B.C. and putting forward certain views in relation to it. I am not suggesting in any way, shape or form that the *Free Press* should be kicked off its hobby horse. If the Sifton interests own certain television and radio stations, I think they should be very careful when they are editorializing that we know they are editorializing, and similarly when the *Free Press* is presenting news that we know they are presenting news.

Mr. PUGH: Just like the *Free Press* does.

Mr. FISHER: I cannot quarrel with the *Free Press* in respect of news; it has a very large coverage and I find its news stories fine. Editorially I think it is abominable. I do not say that radio or television stations should not editorialize. One in Oakville editorializes all the time. I think this is fine; they let you know they are editorializing. I wanted to make this explanation, because some persons were thinking I wanted to be a censor. I do not see how you could censor somebody like John Bassett with the free wheeling style he has developed.

Mr. McGRATH: I do not think you could put this particular label on radio and television, because I think any fairminded newspaperman will realize you can see one front page report on one paper and another front page report in the newspaper of a competitor or a paper some distance away on the same story and they can be as different as night and day.

Mr. FISHER: I would like to ask what decision the board has come to, or what opinion it has, with regard to the point brought to its attention by Mr. Herridge in relation to a radio station which refused to carry an advertisement of a competitor in the same advertising field.

Dr. STEWART: The board's view is that we cannot compel a station to carry advertising that it does not wish to carry, for a good reason. For example, to our knowledge, there are certain stations which do not wish to carry beer and wine advertisements. We do not feel we should compel them to do so if they choose not to. It seems that any medium of information has a right to refuse to carry what it considers to be offensive and which it can have good reason not to carry.

In this particular case, in our view, the station was in error in saying merely that it was not prepared to carry an advertisement of a competing outlet. This is not an adequate reason. There are, however, good reasons for refusing otherwise.

Mr. FISHER: But other than advising the station that perhaps it was in error, you have no way of keeping the field open.

Dr. STEWART: At the moment we have no regulation which would enable us to take action against them.

Mr. FISHER: Have you any knowledge whether or not this is a standard position of, say, the C.A.B.?

Dr. STEWART: No. On the contrary our understanding from the C.A.B. is that they do not take the position that a station should refuse to take advertising from a competing outlet.

Mr. FISHER: The next question is in relation to the changes in ownership which take place. You hold hearings and, as I understand it, the persons involved in the ownership are a factor in your decision.

Dr. STEWART: Conceivably they are; yes.

Mr. FISHER: You cannot, of course, freeze ownership; but we have a situation where, at least on two occasions, you awarded licences last year and already there have been substantial shifts, partly in ownership and certainly in direction and control. Is that true?

Dr. STEWART: Not in any majority sense; but it is true there have been changes approved in the share ownership of stations.

Mr. FISHER: What I want to know is, are you giving any consideration, in hearing further applications for licences, to having an undertaking on the part of the applicant that there will be stability in direction and control, say for a period of time.

Dr. STEWART: Desirable as I believe that to be, I do not think it is practical to do this. Changes in ownership and participation in control might become necessary because of mismanagement problems. Our view here is that we cannot freeze the situation, I mean the position of a licensee, to protect the effective management of the station.

Mr. FISHER: Is that the reason why CKOW's American ownership has been extended, and you have taken no action?

Dr. STEWART: No. I think in these cases the board has accepted the increase in ownership because, in effect, it did not significantly change the real effective situation.

Mr. FISHER: It has been rumoured that the Thompson interests will buy into CFTO; would that require a hearing?

Dr. STEWART: It will not require a hearing if it is a minority participation.

Mr. FISHER: Do you mean less than 50 per cent?

Dr. STEWART: This is left to the judgment of the board, I am afraid. We are not required under the act—under the Radio Act, I mean—to hold public hearings on changes and transfers.

Mr. FISHER: You are aware that where you have multiple ownership, you need much less than a minority interest in order to have control.

Dr. STEWART: The board has said that where, in the opinion of the board, there is a presumption that the effective control or ownership is changed, then we will put it up to public hearing, but we are not required to do so under the act.

Mr. PUGH: I would like to follow that up on this matter of effective control. With all changes of stockholders, when shares in large blocks are sold, then as a determining factor does it have to be filed with you?

Dr. STEWART: It is necessary for the licensee, where any change in stock participation of a company occurs, to submit this to the Department of Transport on forms provided for this purpose. Under the Radio Act, or section 133 of the regulations made pursuant to the Radio Act, the Minister of Transport cannot approve these changes without a recommendation from the board. So they are sent to the board for a recommendation; and the board decides that where in terms of ownership or control there is significant change, we will in fact put this up to public hearing; but we are not required to do so. We are required however to make a recommendation to the minister, as to whether or not this change shall proceed.



Mr. MACDONNELL: Is there a penalty for neglecting to bring it to your attention?

Dr. STEWART: Not as far as our legislation is concerned, but I am sure there is in the Radio Act, and that it is a condition of the licence that they do this. His application is made to the Department of Transport, not to us.

Mr. PUGH: This word "significant" has crept in two or three times, and also the term "American control". Is there anything wrong with American control? Is it considered significant?

Dr. STEWART: It is one of the factors which is considered, yes.

Mr. PUGH: What else would be considered significant? Suppose a newspaper were buying in?

Dr. STEWART: Yes, multiple ownership is considered, yes.

Mr. PUGH: If it were put up for public hearing, what would be the effect of that? What would you consider to determine whether it was a good thing to have this done, or whether or not the thing should be put up for auction?

Dr. STEWART: I think the only reason the board made this decision was that the issue of a licence giving control to the use of this piece of the public domain is, under the act, required to be held in public, so that the public may be informed as to the basis on which part of their public property is being assigned to somebody. The board's view, in principle, is simply that if it appeared to the board that a change in ownership or control resulted from the transfer of stock, then the same principle should apply, that is it should be heard in public, so the public might have the same kind of information about it.

Mr. FISHER: I have heard of some complaints; I have received some letters from people who pointed out that we are developing a cultural ghetto in the mid-week prime viewing hours. I wonder what steps you are taking to see that in the prime viewing hours, particularly at mid-week, more than fantasy programs are presented, or whether or not you feel that it is important that more than fantasy programs should be presented?

Mr. MACDONNELL: Would you please explain what you mean by cultural ghetto?

Mr. FISHER: These prime viewing hours are filled with nothing but fantasy programs, westerns, private "dicks," and so on. And there are no programs in the area of education and public affairs.

Miss AITKEN: Do you call that cultural?

Mr. FISHER: Do I call what cultural?

Miss AITKEN: Westerns.

Mr. FISHER: I am not making any interpretation of it at all. I just said that during the peak viewing hours the listener is not given anything, I think, which is very good. I do not know whether it is correct, but I believe the board has programming analysis personnel, and I wonder if this is a true or a fairly accurate estimate of what is going on during the prime viewing hours, and if so, what is being done to meet it.

Dr. STEWART: There is certainly a heavy proportion of more popular programs during the peak hours. I think it is more or less inevitable in commercial operations. It is a question of the audience. It is true that certain types of programming appear to draw larger audiences. Therefore there tends to be a concentration of this type of programming. This is, I think, one of the purposes of the national service, to insure that during this period commercial considerations do not wholly determine the range of programming available to people, and I believe it is correct to say of the national service that it does provide a greater variety of programming in this period than commercial considerations would otherwise permit.



Mr. FISHER: In connection with private networks, such as Mr. Caldwell's network, was the same principle put forward or held up to Mr. Caldwell, and if so, has he accepted it?

Dr. STEWART: Only with respect to Canadian content at the moment, is there any determination made. The network is required to provide 45 per cent of this programming in Canadian content.

The CHAIRMAN: Are you through, Mr. Fisher?

Mr. FISHER: I have two last minor questions, which are technical. I wanted to have assurance that the Vancouver interference is a dead issue, in so far as the B.B.G. is concerned?

Dr. STEWART: As far as we are concerned, it is a dead issue.

Mr. FISHER: What are the prospects of having a good music station in Winnipeg?

Dr. STEWART: Do you mean as an application, or as a successful operation?

Mr. FISHER: I believe you have had applications, and at least one of the applicants was told to wait to see how the operation was going on in other places, and also because the market was altering in Winnipeg.

Dr. STEWART: Yes. Mr. Shapira was an applicant for an AM licence, and as I recollect his application, he put emphasis on so-called good music. But the reason for the delay in dealing with his application is not the character of the programming, but simply the policy of the board, that we are not prepared to recommend an additional new licensee in a market in which second television stations have been started, until the market situation has become settled down, and we have a chance to see what it will be.

Mr. FISHER: And when is that going to be?

Dr. STEWART: I cannot give any specific time. It would not be the same for two markets. We are reviewing them and making an analysis, and we have asked all the stations in those markets to provide us with monthly figures of their gross revenue, so we may check the trend of the revenue in the market and see how the market is operating.

Mr. McILRAITH: Has the board given any consideration to the regulation of commercial advertising rates in the broadcasting industry?

Dr. STEWART: No sir, we do not see in the act that we have any authority to deal with rates.

Mr. McGRATH: What is it, in your opinion, which specifically excludes you in the act from dealing with commercial rates, to be more specific?

Dr. STEWART: I think perhaps basically there is reluctance to deal with things which we do not clearly have authority to deal with, that is, a reluctance to exceed the authority given to us under the act.

Mr. McGRATH: I see. My next question is one of opinion which you do not have to answer; but do you think it is advisable for the board to take this into consideration, provided legislative requirements are there?

Dr. STEWART: It seems to me from such consideration that we have given to it that I would say no. I think if you get into the matter of the control of advertising rates, you get into the matter of control of station time rates, and you will have an entirely different type of industry. It will in effect become a sort of public utility, but it is not in fact a public utility industry.

Mr. McGRATH: That is exactly what I was getting at; I mean, the control of station time rates. Broadcasting in Canada is getting to be very, very competitive. I do not think anybody familiar with the industry in Canada would want to see the same thing take place in Canada that I think has happened in many areas of the United States, where you have cut-throat competition, which in the final analysis affects the scope of the programming of the sta-

tion, because, after all, if the station does not have certain revenue, it cannot maintain consistently the good quality of its programming.

Dr. STEWART: This raises some very important issues with respect to the whole competitive feature of this particular industry. We do agree that excessive competition finds expression in deterioration of programming. This may start first with the cutting of revenues and rates.

Mr. McGRATH: It has started.

Dr. STEWART: Yes, this can happen. It seems to us that the implication to the board of this phenomenon is that the board should, by its recommendations on licences, insure that it does not create a situation in the market, given a reasonable expectancy of the economic conditions in this market, in which there are so many licensees operating and trying to divide up the pie that the inevitable result will be deterioration of programming.

Now, in principle, this means somewhat of a limitation of the issue of licences in a particular market, having regard to the market situation there. But there is a further implication here, I think, that if this approach is taken, so that there is a measure of protection, if you like, given to an existing station in the market, you will find that with further competition, there is a responsibility on the part of the board then to ensure that the revenues which are obtained for these stations are used in order to provide a satisfactory and better service. This is a view, I think which the board has to take.

Mr. McGRATH: You have, in my opinion, a situation in certain areas in Canada, with which the board, I think, is concerned, I am sure, where you have what is becoming known in the industry as a rock-'n-roll operation, a music, sports, and news operation. There are several instances that the board is aware of, and which the board has dealt with; and I think this arises from the fact that the industry is getting into a very, very competitive field. Not only does it have to compete with other stations, but also with other media; I mean it has to compete with other advertising media as well; and I think it will probably reach the stage where the board will have to give consideration to it.

Mr. PUGH: Are you advocating a fixed scale of rates?

Mr. McGRATH: I mean a fixed scale of station time rates.

Mr. PUGH: Would you not have to take that, in addition to all the other things?

Mr. McGRATH: No, advertising media.

Mr. LAMBERT: Newspapers and magazines?

Mr. FISHER: Are you going into the newspaper market?

Mr. McGRATH: Newspapers do not have the responsibility of providing entertainment to the public. That is the crux of my question.

Mr. PUGH: You are not getting my point. The person who is going to pay for the advertising is the person who is going to decide where he will place it. If the rates are too high on television he will go to other media, such as radio and newspapers.

The CHAIRMAN: May we continue that this afternoon?

Mr. FISHER: I want to put one last question and I think it will require only a "yes" or "no" answer. Doctor Stewart, before you made your remarks the other day on your decision about network non-reserved time being open to other stations, did you consult closely any of the affiliates of the C.B.C.?

Dr. STEWART: Not specifically with reference to this recommendation, although I did mention it to the president of the C.A.B. As you know, C.A.B. have a recommendation that the word "permission" be removed. We mentioned this to them and said in our opinion this might be preferable. We have had



numerous discussions with respect to the whole problem of cross-programming outside of reserved time, and our information is that the affiliates are in favour of that.

The CHAIRMAN: We shall meet this afternoon at 3.00 o'clock.

#### AFTERNOON SITTING

THURSDAY, June 15, 1961  
3:00 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum. I think, in reply to some questions about Canadian content, the vice-chairman has some remarks to make, not by way of correction, but by way of clarification of this subject.

Mr. CARLYLE ALLISON (*Vice-Chairman, Board of Broadcast Governors*): Thank you, Mr. Chairman. It was suggested that the Swift Current television station probably had the highest Canadian content percentage of any English language television station in Canada. I did not have the figures before me, as you will recall, and I was not in a position to refute or to deny this suggestion. However, since then we have looked up the figures on Canadian content in a summary that we made, and I find that for the four-week period from April 30 to May 27, which was our second four week period of compulsory 45 per cent, the Swift Current station stood 25th down the line from the top. Now, it was still good, it had an average Canadian content for this period of 49.48. But a competing station that was brought up in evidence, the Saskatoon station, was slightly higher than this, with 49.64. In other words, they were just practically on a par. And the same applied for the first four-week period regarding the relative position of Saskatoon and Swift Current. Saskatoon in that first four-week period had 51.8, while Swift Current had 51.3 Canadian content. These are both good stations, and I merely want to get this on the record for the sake of the member.

The CHAIRMAN: Now, ladies and gentlemen, we have with us Mr. Regier, who, as you will recall, is a member of the C.C.F. party, and we made an agreement with them that when Mr. Fisher was unavoidably absent, they might substitute someone from their party to be admitted, and who could ask questions, but who would not make up a quorum without going through the formality of the house. This was done in the case of Mr. Pitman several times, and I think we can understand why. Now, Mr. McGrath, you were asking questions when we broke off this morning.

Mr. McGRATH: I was asking Dr. Stewart about the regulation of the commercial rate structure of radio and television stations both public and private. Has the board at any time examined the rate structures of radio and television stations in the highly competitive areas, or, for the purpose of my question, in the six centres which have received second channels, or which have second channels?

Dr. STEWART: We have information on the published rate cards of the second stations, and we have the affiliation agreement between the corporation and its affiliates, so that we have the information for comparison; but I must confess that we have never made a study of it in the relationship of one to the other.

Mr. REGIER: Have you at any time received complaints from any television station in Canada regarding what, in their opinion, was unfair rate-cutting?

Dr. STEWART: Yes; to my recollection the new station in Halifax made some representation to us about the C.B.C.; I am not quite sure, let us call it the local rate; let it go at that, and you know what I mean at any rate;



and similarly the local station here in Ottawa, CJOH made some representations to us; but our reply in both cases was that it was outside the area of our jurisdiction.

Mr. REGIER: It was completely outside the area of your jurisdiction?

Dr. STEWART: Yes.

Mr. REGIER: I see. Would it be possible, Dr. Stewart, to read to the committee the correspondence from Halifax and from Ottawa that you have had on this subject?

Dr. STEWART: According to my recollection there is a letter from Mr. Bushnell on the subject, and there might not be a letter from Mr. MacDonald; but he spoke to me about it at Amherst at one time when I met him down there; he spoke to me about the problem.

Mr. REGIER: Did he indicate to you that it was his intention to appeal to the board for a decision, or for their adjudication on this matter?

Dr. STEWART: No, I am afraid that when he spoke to me about it, I said that we had no jurisdiction in this field.

Mr. REGIER: Did you consult with the Department of Justice as well as your own counsel to see if the act would enable you to have jurisdiction in this matter?

Dr. STEWART: No, we have not. We have been advised by the Department of Justice that they are not in a position to give us legal advice, because they are advisers to the C.B.C. They have taken the position that it would be impossible for them to advise both the board as well as the C.B.C.; so the Department of Justice is not open to us. On two occasions, I think we have employed separate counsel to give us advice on particular problems, but we have not referred this to anyone other than to our own counsel.

Mr. REGIER: I see. That seems to me to be a rather odd situation, where a board of the government is not able to refer to the legal officers of the crown.

Mr. PICKERSGILL: Surely this is a judicial board, and it would be wholly improper; even if it were a semi-judicial board, it would be wholly improper for the crown, which might be a party in these matters, to be advising the court at the same time. We set up the B.B.G. to be the instrument of parliament, not of the government; so the B.B.G. should not be seeking legal advice from the government.

Mr. McGRATH: I am talking about the interpretation of the act with regard to a specific problem that exists in the industry, that is, with regard to commercial rates, on both public and private stations.

Mr. MACEWAN: I wonder if counsel would explain on what basis he gave that decision.

Mr. W. PEARSON (*Counsel to the Board of Broadcast Governors*): Are you asking about the opinion of the Department of Justice, as to whether or not they advised us?

Mr. MACEWAN: No; I mean your own opinion as to why the board has no jurisdiction in the matter of rates.

Mr. PEARSON: There is nothing in the act. It says that we can require the filing of information which would include rates, such as financial information; but there is no authority which says the rates must be approved by the board, or that the board may approve rates or fix rates. It is my feeling that no such specific authority of this type is given to the board; the board has no right to go into the economic affairs of the station.

Mr. MACEWAN: In other words, there is nothing in the act or regulations under the act dealing with it?

Mr. PEARSON: There is nothing at all.

Mr. REGIER: In the first place, Dr. Fairfield I should like to express my appreciation to this committee for the special arrangements that are being made for absentee members, and I would like to express my appreciation to you, Dr. Fairfield, for your special consideration in recognizing me early, because I have a rather important personal engagement, a bit later. However I would like to raise a question which I have been given to understand has been raised before, concerning CHEK television, and also concerning the reception in the Burquitlam area, which is an area in the municipality of Coquitlam, which is immediately north of the city of New Westminster. I understand from the member for Port Arthur that in response to the complaints of CHEK television, Dr. Stewart has advised that there recently have been no further complaints in regard to this. I understand that the B.B.G. held a board of inquiry in the city of Vancouver the middle of September last year in regard to it. I would like to read a letter written to me from Mr. Aleck T. Wilson of North Burnaby, dated November 30th. It reads as follows:

I would say there is no improvement on channel 4 and 5 through interference of channel 6 which has only repeats of channel 2 and not very entertaining programmes.

Also channel 6 is grabbing all Vancouver business it can get, going against their sworn promises.

We are losing some first class entertainment by this pirate.  
as he decides to call it.

Now I would like to read into the record a letter received, or rather written on April 13th, 1961, by the Northwest Television Systems Limited.

Mr. McGRATH: Mr. Chairman, I would like to raise a point of order. Surely this committee is not a vehicle through which to present briefs to the B.B.G. There are stations in various parts of the country which have access to the public hearings of the board, whenever they have their hearings, and I do not think it is the function of the committee to entertain briefs and representations from various stations in the country.

Mr. PICKERSGILL: On that point of order, we spent a good deal of time at the last meeting I attended in discussing the question of the Swift Current station, and it does seem to me, sir, that this is an attempt to abridge the rights of a person who has come here especially in the interests of his constituency, to talk about a situation very similar to that one. I submit that it is a perfectly proper use of the committee, and that this attempt to restrict freedom of speech should not be entertained.

Mr. McGRATH: There is no attempt to abridge the rights of any member. It was only an expression of view to the committee which spent a great deal of time this morning and yesterday afternoon, when you yourself, eventually, ruled on the matter. That was this morning when Mr. Pickersgill was away.

The CHAIRMAN: I did, but I have not yet got what is coming out from this.

Mr. REGIER: As a result of complaints, the B.B.G. held a special hearing last September in the city of Vancouver, and it is my contention that the people are very dissatisfied as a result of the hearings held, not only as to the manner of them, but as to the decision. I feel that the only other recourse of the people is through their members of parliament and through a parliamentary committee. But if I am wrong, you may correct me.

The CHAIRMAN: If it is not too long, will you please carry on with the missal.

Mr. REGIER: The Northwest Television Systems Ltd. are affiliated with the National Community Antennae Television Association of Canada which



has branches all over Canada, and which national association endorses the latest submission of Northwest Television Systems Ltd. I shall read only a little of what I intended to read, in the light of the objection that was raised. Among other things they claim that even as late as April 13th last, station CHEK-TV syncs are constantly found in this channel 5, so I feel it is up to this authority either to make CHEK-TV stay on its own channel, or to close the station down. The man goes into technical details, and I am not informed as to the technicalities of the thing, but he is asking that if there were not an omnidirectional authority given to CHEK, but only a directional authority,—I understand Dr. Stewart will know what I mean, possibly—then the northern area of Vancouver Island would be able to receive the benefits of television, and the rest of the lower mainland would not be in the mess that it is in.

And I have another complaint. This is very brief. I think even the hon. member who complained, is going to appreciate this. It was written after the hearing in Vancouver, and is dated October 6th, and is addressed to the then Minister of Transport, the Hon. George Hees, and is signed by W. J. Weymark.

As you have undoubtedly learned by now they have rendered a decision in favor of CHEK. In my personal opinion I consider the whole affair a farce. Persons such as myself were not given the opportunity of being heard and our conservative M.P., Mr. Payne, was likewise restricted. From mutual friends I was informed that the chairman took a disparaging view toward the actions of the conservative M.P.'s in their support of the public.

Now, if I am accurately informed, that there have been no complaints since September, I can assure Dr. Stewart that I have a volume of complaints here that have arrived since the hearing in Vancouver, and that there has not been any substantial improvement whatsoever. And if this man, Mr. Weymark, is accurate in his assessment, I can understand why there may not have been any improvement.

Another matter I would like to raise concerns the activity of the Pacific Veneer Plant in New Westminster who operate in their plywood manufacturing industry machines which even the board of transport commissioners agree interfere with the reception of channel 5. However, it would be very costly to this company to have to alter their machinery or instal modern machinery that would end the interference. I maintain that these people have the right to listen to channel 5. The Pacific Veneer company is a very large company indeed, and it might easily be able to afford altering its machinery, or making a real effort in order to end what the people feel is intolerable interference with adequate reception.

That is all I have to say. I very much appreciate Dr. Stewart's comments in relation to the television station in Victoria; and the man who wrote on behalf of this particular company recommends that if the C.B.C. station, namely channel 2, established an adequate satellite station, then CHEK would be able to reduce its power and remain within its own particular area. However, as it is, unless either channel 2 establishes the satellite stations or these particular people are ordered to be on a directional basis rather than an omnidirectional basis, the people there might be more adequately served, and I feel that the people of the lower mainland of British Columbia did not get a square deal at the hearings last fall.

Dr. STEWART: Mr. Chairman, on this last part, with respect to the hearings and the adequacy of the opportunity of people to be heard, the board made its usual announcement in advance of this public hearing and invited interested parties to appear, provided they represented organizations. It seems to me that there was an invitation to the party, to which Mr. Regier referred, to appear if he wished to do so, and certainly we had no responsibility in preventing him from being heard.



I would like to comment on the Conservative M.P.'s appearance. The problem which emerged there was that the board has certain procedures with respect to its public hearings. One of these is that people who wish to be heard—and this was indicated as usual in the notice of the meeting—are asked to make this known to the secretary prior to the opening of the hearing. Unfortunately, Mr. Payne did not do this, neither did Mr. Jung, and when it developed that both of them wished to be heard the only position the chairman could take was that those who had indicated that they wished to be heard first, and if there was time later, then Mr. Payne and Mr. Jung could be heard at that time. Mr. Payne left the meeting, as I recollect, and I think he has explained he had some other business; Mr. Jung stayed and had an opportunity later during the meeting to be heard. I merely wish to say that as far as the chairman is concerned, it is not his recollection that he took any disparaging view with respect to the appearance of any members of parliament at that hearing. All I can say is that the meeting was conducted according to normal rules of procedure of the board's public hearings.

Mr. REGIER: I wonder if in connection with that I might ask you a further question? Was not the original announcement that this hearing would be in Ottawa only and it was only after very severe protest that the Vancouver people were finally granted the right to a hearing in Vancouver, and that this may well be a reason why the Conservative M.P.'s did not have adequate notice of the proposed hearing in Vancouver?

Dr. STEWART: Most of them did get adequate notice because most of them followed the instructions in the release and made their request in advance to be heard. There may have been special reasons why individuals did not have this opportunity—perhaps not having seen the notice, I do not know—but it is quite obvious that many people did have sufficient notice.

With respect to the hearing in Vancouver, this is a unique instance of the board holding a special inquiry, not one of its normal public hearings but a special inquiry to deal with the specific problem. There was never any question of having a specific hearing on this problem in Ottawa; but the board, recognized the degree of concern in the city of Vancouver, voluntarily and in the light of this situation decided to hold a public hearing there so that people could be heard.

Now, with respect to the general problem in Vancouver, my statement previously was that as far as the board was concerned, there had been no continuing representations. I cannot say from recollection that we have not had any letter since that hearing, but certainly in the last five or six months we have not had any, and we may have some immediately following; but certainly negligible, if any, representations have been made to us.

I did not imply by this that the problem with which the people of Vancouver were concerned, namely the difficulty of receiving channel 5 KING in Vancouver had been solved. What I did say was that the board in this problem was confronted with what we considered to be a basic principle, and that is that in the use of Canadian resources we cannot, as a general policy, undertake to protect the reception of American stations beyond the amount of protection agreed upon in the international agreement, that if we ever adopted a policy that American stations once having become established would receive protection beyond that of the agreement in Canada, we would have a severe limitation on the use of Canadian channels under these conditions because American stations inevitably get started before we do. I am not saying that the people who have received KING in the past have not to some extent been hurt by this. This we have never denied. Undoubtedly there are some people who receive KING and appreciate the programs they got from them who are now unable to do this, but the board stands firmly behind this position on the

general principle that the maximum protection that can be given to any American station is that agreed upon in the international agreement, and we cannot go beyond it.

Mr. REGIER: What about the industrial plant in New Westminster?

Dr. STEWART: I do not wish to dodge the issue here. I think this is clearly a matter for the Department of Transport to investigate. The board hears a great deal about interference, perhaps even more in radio than in television, and interference of a man-made variety is having a very considerable effect on reception of AM radio. This is one of the things that is forcing us into FM radio, because of this particular problem. It is so general that I would think it would be very difficult to draw up a set of regulations prescribing the conditions under which people would have to take action to stop the interference. However, the appropriate body to whose attention this should be brought is the Department of Transport.

Mr. REGIER: I want to thank you, Dr. Stewart, and also the committee for their forbearance.

Mr. MACDONNELL: If this is the proper time, I would like to refer Dr. Stewart to what he said the day before yesterday about an amendment to clause 13 (4) (b), and to refer him also to what he said on page 865 on the fact that the C.B.C. were troubled about this. I would also like to ask him if he would indicate what is the extent of the concern of the C.B.C., and if it is a fair question to ask him, I would like to ask his opinion—because I am assuming he has a strong feeling that the C.B.C. must be protected in the work it is doing. My concern is—and I am hampered by inadequate knowledge of the technique of this thing—I infer from reading on page 865 from the views of Mr. Ouimet as referred to by Dr. Stewart, that they have a serious concern, and I would like Dr. Stewart to express what it is and give us his comment upon it. Personally I would be very sorry to think that we were doing anything which was going to hamper the work of the C.B.C. national network.

Mr. McGRATH: Before you answer, Mr. Chairman, I wonder if it may be of some help to the committee to know that Dr. Stewart said this morning that the corporation had presented a brief on the board's intentions to recommend amendments to this section.

The CHAIRMAN: It was I who said that. They wish to have the opportunity to present it to the committee.

Mr. McGRATH: I thought they presented it to the board.

The CHAIRMAN: No, to this committee, and I said it would be tabled as an appendix on Tuesday for study by the committee.

Dr. STEWART: We have had discussions with the corporation on this. As a matter of fact, only yesterday morning the consultative committee on public broadcasting met. This is a joint committee of ourselves and representatives from the C.B.C. This particular matter was discussed then. We have had, over a long period of time, a number of discussions with respect to the problem of cross-programming as between the two existing permanent networks. If I may proceed from that point and then work to 13 (4) (b)—where this becomes involved. The corporation has expressed concern that its affiliates might at any time be served by the second network. They have attached and do attach a good deal of importance to the identification of the network and its affiliates. They have indicated this concern about programming. I understand from them that they are not concerned about cross-programming by video tape; that is to say if a program appears on the C.T.V. network and it is taped by that organization, the C.B.C. would not be concerned about its affiliates purchasing this taped program for showing outside of reserved time, but that the concern of the corporation, I understand, is particularly with respect to electronic connections involving their affiliates and the second network.



Now, this becomes very complicated when we get into the problem of the degree of this, and whether this in fact results in a double affiliation. In our regulations, which I admit are very complex on this point, we have said that in our view—and this is defined in the regulations and in documents relating to them—if a station takes more than four hours per week from any single source, this would in fact, in the board's view, be recognized as an affiliation agreement.

Now, we go on to say that a station cannot be affiliated with more than one network operator, so that presumably this means that no affiliate of the C.B.C. could receive via the C.T.V. network more than four hours per week, whether by video tape or by electronic means. But in connection with electronic means we have said that even if the number of hours is less than four per week then there must be an application to the board so that we can consider this particular case.

The main reason I think the corporation is concerned about our suggestion is that it would require them to specify in advance those periods which are reserved for them, and therefore would leave them with less flexibility. Our suggestion, you see, is that any time which is reserved by the corporation on an affiliate is inviolate, because this is part of a contract. It is this unreserved time which the corporation from time to time, picks up for particular programs which come along and are available to them if they wish to distribute them on a network.

I would agree it does reduce the flexibility of the corporation because it would have to specify in advance of the time reserved and, having done that, it might be difficult for the corporation to put up a program which all of a sudden comes along. This is substantially Mr. Ouimet's objection to it and I would have to agree it is probably true.

Mr. McGRATH: Is it not also true that Mr. Ouimet is concerned with retaining the C.B.C.'s identity with the affiliates?

Dr. STEWART: Yes, but he does not mind cross programming outside of reserved time if it is done on video tape. I told you this yesterday.

Mr. McGRATH: Even if video tape has the C.T.V. identification on it?

Dr. STEWART: Our regulations say that under these conditions a station must not represent that it is operating as part of a network. It may give credit, as is often done, to the source of program supply but it may not claim it is operating a part of a network.

Mr. MACDONNELL: Is the method which you describe as objectionable to Mr. Ouimet being used?

Dr. STEWART: It will be used to a very considerable extent but it is really the electronic connection which Mr. Ouimet is particularly concerned about. This is the kind of thing which is instantaneously important. It is sports events and things of that kind which, if they are not carried instantaneously, lose a great deal of their interest.

Mr. McGRATH: May I ask Dr. Stewart if these suggested amendments to the act have any bearing on the application of the Hamilton T.V. station to be released from its affiliation with the C.B.C.?

Dr. STEWART: No. There might be some indirect relationship but we have not thought of it in these terms. We have thought of it much more in terms of the purchase of the Big Four rights by C.T.V.

Mr. MACDONNELL: Am I right in thinking the C.B.C. feels that with the lapse of time—particularly with this six month period instead of one month—the C.B.C. may become less identified with these stations and may eventually run into a situation where, practically speaking, it will have



difficulty in providing a really national network? Have I got the whole thing wrong, or is that what is in Mr. Ouimet's mind?

Dr. STEWART: Unquestionably this is what is in Mr. Ouimet's mind.

Mr. MACDONNELL: Could you describe that?

Dr. STEWART: We feel strongly about the identity of the network and the association of the affiliates with the network. If this were lost it would be a real loss to the national service.

Mr. MACDONNELL: May I ask what is your opinion on that?

Dr. STEWART: It seems to me there is no issue with respect to taped programs. We do think, however, that the danger to the national service here is sufficiently great to offset the advantages of the widest possible distribution of Canadian programs particularly, which is what we have in mind.

Mr. MACDONNELL: Would you be prepared in the amendment to limit it to the video recordings?

Mr. McGRATH: Be very careful how you answer that.

Dr. STEWART: I should like give more consideration to it before I answer the question.

Mr. McGRATH: What do you mean by danger to the national service?

Dr. STEWART: It really boils down to certain types of programs such as football and hockey. It means a great deal to the network to have these.

Mr. McGRATH: You mean the C.B.C.?

Dr. STEWART: Well, any network. This is why the CTV network is interested in getting them because they are important in terms of the general image of the network and the general audience support which could be obtained.

Mr. McGRATH: The reasoning behind my question is that surely it is conceivable at some future stage that CTV could provide a national service and have a network coast to coast?

Dr. STEWART: We are very much concerned about the use of the words "national service". Our view is that an eight station network, even if it extends from Halifax to Vancouver and covers about 70 per cent of the population, is not a national network and is not providing a national service in the sense in which that term is used in the act. By "national service" we understand it to be a service which is available to all Canadians and we are proceeding to that objective as quickly as possible. The second network will never be in a position to provide a national service until there are stations in all parts of Canada. Until that time is reached I think it is misleading and dangerous to refer to the service which can be provided by an eight station network as a national service.

Mr. McGRATH: I am looking forward.

Dr. STEWART: This is a long time off.

Mr. McGRATH: No sir, with deference. I am thinking of the possibility of affiliates of the corporation at some future date, with the possible sanction of the board or some compromise by the board, hooking up to the CTV network. You already have one application from one C.B.C. affiliate.

Dr. STEWART: To disaffiliate.

Mr. McGRATH: To disaffiliate?

Dr. STEWART: Yes, but not to tie up with the other network. I doubt if Hamilton is interested in that.

Mr. McGRATH: Surely the principle involved there is the principle of whether or not a station can, in fact, disaffiliate?

Dr. STEWART: This is correct but I would rather not comment at length on the application of CHCH, considering it is to be heard by the board next week.

Mr. McGRATH: I quite understand that.

Dr. STEWART: It is not asking for disaffiliation in order to join the second network.

Mr. McGRATH: We put a series of questions to Mr. Ouimet on this subject and, if I recall correctly, he was very concerned about a second network building from the bricks and mortar of the C.B.C. He certainly made it clear it was a cause of a great deal of concern to the corporation and, with that in mind, I wanted to get the views of the board, not presuming that it would lead to the Hamilton application.

Dr. STEWART: We would be equally concerned about this if it led to the deterioration and destruction of the national service.

Mr. MACDONNELL: This is what I feel.

Mr. PICKERSGILL: Hear, hear.

Mr. McGRATH: Is it the responsibility of the board to protect and ensure the maintenance of a national service?

Mr. PICKERSGILL: Read the act. Part 2 of the act makes it a function of the C.B.C. to provide this.

Mr. McGRATH: Yes, of the C.B.C. but not of the board.

Dr. STEWART: We interpret the whole act as a unit referring to broadcasting, and that the intention of parliament is present in the act. One of the intentions of parliament, as we understand it, is that the corporation should provide a national service and therefore I think it is our function to see that it is maintained.

Mr. PICKERSGILL: Hear, hear.

Mr. McGRATH: I want to thank Mr. Pickersgill for his legal advice. It is always interesting.

Mr. PICKERSGILL: I should like to ask a few questions on a rather different item. I should like, first of all, to ask Doctor Stewart whether in recent conclusions as to the recommending of licences there is ever any divergence of view in the board?

Mr. McGRATH: I should hope so.

Dr. STEWART: The answer is "yes".

Mr. PICKERSGILL: I understand these sessions where these divergences of views are expressed are held in camera?

Dr. STEWART: That is right.

Mr. PICKERSGILL: Is a division of the board regarded as a secret meeting?

Dr. STEWART: Yes, it is.

Mr. PICKERSGILL: That is to say when you have voted for and voted against?

Dr. STEWART: We follow a different method, Mr. Pickersgill. If the discussion discloses a consensus of opinion is emerging we just simply say "agreed", if no one dissents. If there is obviously a divergence of opinion among the board we have to resort to the method of ballot but I do not know how in these cases individual members of the board voted.

Mr. PICKERSGILL: You do not announce the result of the ballot, the number who voted for and the number who voted against? You think you have a warrant under the act for keeping that information secret?

Dr. STEWART: I believe so. The act, as I recall, says that the board may determine its own procedures for holding its meetings. If there are any other directives we should have, they should be in the act.

Mr. PICKERSGILL: I would not quarrel with that but it would be open to anyone to conjecture that any particular instance there might have been a division of the board. I want to come from the general to the particular and I come to the application for the second television station in Toronto. If Doctor Stewart feels I am asking him something not as chairman of the board but in his private capacity, I want it to be understood that I do not intend to be offensive or discourteous or anything of that sort. I want to ask him did he hear any rumour that the successful applicant in the case of Toronto had already claimed before the hearing was held that he was quite certain he would be the successful applicant?

Dr. STEWART: Yes, I heard such a rumour. I think I read it in the *Toronto Star* too.

Mr. MACDONNELL: A dirty answer.

Mr. PICKERSGILL: I think perhaps I should specify the time a little more. I am asking before the hearing did you hear the rumour?

Dr. STEWART: Yes.

Mr. PICKERSGILL: You heard it before the hearing?

Dr. STEWART: Yes.

Mr. PICKERSGILL: Did the board, or you as chairman, make any effort to find out if such a claim was made?

Dr. STEWART: No.

Mr. PICKERSGILL: You did not feel that was any of your business?

Dr. STEWART: It was completely irrelevant so far as I was concerned.

Mr. McGRATH: And coincidental, I would think.

Dr. STEWART: I did not know Mr. Bassett as well then as I do now, but I am quite sure he was capable of saying that.

Mr. PICKERSGILL: Yes, as well as a lot of other things, too. I want to go back now to the question. I believe there were nine applicants in Toronto?

Dr. STEWART: Yes.

Mr. PICKERSGILL: Of whom three were, for all practical intents and purposes, unless we want to quibble—identical with three Toronto newspapers.

Dr. STEWART: Yes.

Mr. PICKERSGILL: Did the board give any consideration to excluding all those three applicants on the ground that this would tend—did they give any consideration to excluding all three of these applicants?

Dr. STEWART: I do not remember that particular point being discussed during the discussion of the applications.

Mr. PICKERSGILL: Were the members of the board familiar with the debates there have been over a considerable period in parliament and in parliamentary committees, and so on, on the subject of the ownership by newspapers of television and radio stations, and particularly of a television station?

Dr. STEWART: Yes, we have read the reports.

Mr. PICKERSGILL: I think the chairman would probably agree that in so far as there was anything approaching a consensus of view, there was at least a bias that this was undesirable, if it could reasonably be avoided without poorer service.

Dr. STEWART: I really have not weighed the reports to the extent that I could say that that is so.

Mr. PICKERSGILL: Did the board make any study of the decisions which have been rendered by the C.B.C. in the case of original stations beforehand, and in determining the criteria under which it was going to operate?



Dr. STEWART: No detailed study was made regarding all of them. We were aware of some stations that were owned by newspapers.

Mr. PICKERSGILL: Was any special study made to see whether there was an expansion of that, or any reason for it?

Dr. STEWART: No.

Mr. PICKERSGILL: Has any study been made since?

Dr. STEWART: No.

Mr. PICKERSGILL: I would like then to ask this: does the board feel that there is any disadvantage at all in having a television station owned by a newspaper?

Dr. STEWART: Yes, I think we could say that of itself this is not an advantage to the applicant, but certainly under certain conditions it could be a disadvantage. I must say, Mr. Pickersgill, that I must pick up a point mentioned this morning, that our concern would be much more with the smaller centres than it would be in a metropolitan area with several newspapers. But a combination of single newspapers with a single radio station, and a single television station in one area, would certainly be a dangerous combination.

Mr. PICKERSGILL: As an observer of the journalistic world, although you do not pose as an expert, you are aware that in the very greatest metropolitan centres newspapers are tending to combine—not only in the smaller centres, but also in the greatest metropolitan centres. Did it ever occur to the board that it might give a very great competitive advantage to all three newspapers—and for a city of one million, three newspapers does not seem a very large number, as in Toronto—to combine for all practical respects the newspapers with a television channel?

Dr. STEWART: I think I would be correct in saying from memory that that point was in fact discussed in Toronto, because it was specifically made in the application of Mr. Honderich.

Mr. PICKERSGILL: Yes, but is it correct, as it was reported in the press? I am speaking from memory here, because I just have not had the time physically to look up my notes, although I have some—and Dr. Stewart will correct me if I am wrong. I think Dr. Stewart said, or someone on his behalf said that, at the time the decision was made in Toronto, a number of applications were so good that it was very difficult to choose among them and pick out just one.

Dr. STEWART: There certainly was a prolonged discussion of the applications in that case.

Mr. PICKERSGILL: And in those circumstances was it felt by the board that the merit of this particular application so far outweighed the others as to more than offset the disadvantage which you have indicated would be felt by having it given to a newspaper, or to virtually the same owners?

Dr. STEWART: I think obviously I would have to answer yes. This was the collective judgment of the board in making this recommendation.

Mr. PICKERSGILL: Were there any applications from newspapers in any of the other places in which there were second stations?

Dr. STEWART: There was a newspaper affiliation in Vancouver with one of the applicants, and I think there was a newspaper affiliation in Winnipeg.

Mr. PICKERSGILL: But not in any of the other places?

Dr. STEWART: Oh, yes, and in Ottawa.

Mr. PICKERSGILL: I thought there were two in Ottawa.

Dr. STEWART: That is right, there were two in Ottawa.

Mr. PICKERSGILL: And were there any in Halifax?

Dr. STEWART: No.

Mr. PICKERSGILL: In reaching its conclusions in these other places, did the board give any weight in making its decision to the fact that the unsuccessful applicants for some of these channels were newspapers?

Dr. STEWART: Yes, it was an aspect. We have listed the thirteen points which the board weighed in those cases, and one of them is association with other media; and in all situations where this was involved it was one of the factors noted.

Mr. PICKERSGILL: Of course the board did not grant any of the original applications, because they were granted by the board of the C.B.C. But the board has had jurisdiction now since 1958-59 over these other television stations; and from the experience that has been accumulated, have you any recollection that there was any other place in Canada where there was any evidence of a licence given to a newspaper, or to some—I shall use that in a loose sense—some entity closely allied with a newspaper or a publisher, where there was another serious applicant?

Dr. STEWART: I cannot answer that. I do not know.

Mr. PICKERSGILL: No examination was made of that question at any time?

Dr. STEWART: No.

Mr. PICKERSGILL: Do you not think that in view of the amount of attention given to this question in the debate when the Broadcasting Act was enacted in 1958, that it would have been an appropriate matter to have studied other criteria followed by the C.B.C. before establishing the criteria for the screening of further stations?

Dr. STEWART: It might have been a good piece of homework to do, but I do not think the board has ever felt itself in any way bound by any precedent.

Mr. PICKERSGILL: My recollection is—speaking from memory—and I wish to be corrected if I am wrong, that I did put a question to you at the time we were discussing the proposed amendments to the act, and you gave an answer somewhat to the effect that this feeling about newspapers might have been stronger if there had not already been stations which had received licences. Am I wrong in this?

Dr. STEWART: I am sorry, but I would like to see the record.

Mr. PICKERSGILL: I just have not had the time to look it up, but I did—as you perhaps know—I did express publicly both in and out of parliament very strong criticism of the decision you made at Toronto. Mr. Nash in his newspaper chose to misrepresent my words, or rather he made a reply to them, based on his own misinterpretation of them. But what I said, after making a reasonably careful check of the experience of the C.B.C., was that I knew of no case where a licence had been granted for a television station—and I emphasize “television station”—which was non-competitive in any place in which there was a serious applicant with anything like comparable qualifications who was not a newspaper or publisher. I made that statement several times with those very careful qualifications. There were one or two cases where there were applications which the C.B.C. board apparently decided were not sufficiently substantial to be considered seriously. I was a member of the government for most of the period when those licenses were granted and I was very familiar with the others. I can say that a number of them were held up. In a number of cases I think the dates were changed in order to try to get applicants who were not associated with newspapers. Therefore, I think the Toronto case is the first



case in the history of television broadcasting, as opposed to radio broadcasting, where, in the board's own words, there was a great difficulty of choice and a newspaper was actually preferred.

I am just seeking to establish the point. If you or Mr. Allison feel this is an unfair representation of the facts you might say so.

Dr. STEWART: I could neither deny nor affirm that; I do not know.

Mr. McGRATH: That is not a statement of fact, because there was one application in 1954 in St. John's, Newfoundland, where a television station application by a private applicant was approved and the other applicant in this case was the C.B.C. The successful applicant was also the owner of a newspaper. Mr. Pickersgill is very well versed on that.

Mr. PICKERSGILL: Yes. Since Mr. McGrath has chosen to denature those facts, I might put the record straight. The government made the decision that Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver should be reserved as chiefly for C.B.C. television stations and no other place, and that in any place that was forty miles away from any of those places applications would be entertained at the same time from private parties. At no time did the government of Canada ever add to that list of places, to my knowledge, except for satellites so long as I was a member of the government. It is true there were people in the C.B.C. who very much would have liked to have had stations in a number of other places of which St. John's, Newfoundland, was one; but the government to which I belonged did not see fit to make the necessary funds available for those additional capital investments. So there was absolutely no difference between the situation in St. John's, Newfoundland or Saint John, New Brunswick, or Regina, Edmonton, Calgary, or any other place that was not reserved to the C.B.C.

The only private applicant I ever heard about who made any serious application in St. John's, Newfoundland, was the successful one. I believe that was true in London. I am speaking from memory. I think it is true that in London a newspaper not very friendly to the government to which I belonged was the successful applicant because it was at any rate the only serious applicant.

I want the record to be straight about this matter. I have been seeking for a long time to see that it would be straight. If anyone can cite to me one instance in which there was a reasonably equal base where a licence for a television station was given to a private applicant who was also associated with a newspaper when there was another private applicant not associated with a newspaper which was reasonably equally competent, I did not know of it until the Toronto situation arose. It was on that ground or principle that I expressed a very strong objection to it. I also felt it was very imprudent, to put it mildly, for a gentleman so obviously associated with the present administration, as Mr. Bassett notoriously is, to go about boasting before his application was heard—although he denies it, but the chairman of the B.B.G. has said he is not surprised that it might be true—that it was in the bag and that the hearing need not be held.

Dr. STEWART: I think the Toronto *Star* ran a horse race on this and gave odds on the different candidates and put this station up very high.

Mr. PICKERSGILL: For reasons not very different from those, if I understood anything about horse racing, and if I established odds I would be apt to establish similar odds, except that I had a little bit more faith in the B.B.G. up until then than I have had since. So far as the Toronto situation is concerned that is all I have to say.

Mr. REGNIER: I would like to ask Dr. Stewart whether or not there is an application for a French language station in Toronto for either radio or television.



Dr. STEWART: We have had no such application.

Mr. REGNIER: The C.B.C. has never made an application?

Dr. STEWART: No.

Mr. MACEWAN: I would like to ask Mr. Pickersgill if, while he was a member of the government, a licence was granted to a newspaper in Kingston?

Mr. PICKERSGILL: Yes; but I believe that was one of the instances in which there was only one applicant for the first hearing. The case I am thinking of was either Kingston or Peterboro. The only applicant was a newspaper. They set the date back two months and special advertising was done in the hope of getting an applicant who would not be associated with a newspaper.

An hon. MEMBER: I think that was Peterboro.

Mr. PICKERSGILL: I believe it was also done in Saskatoon. I should not be pulling these things out of my memory. In fact, another applicant did turn up and the newspaper did not get the licence. I put a lot of this on *Hansard* at one time.

Mr. ALLISON: Regina probably was the other place.

Mr. PICKERSGILL: It may have been.

The CHAIRMAN: Are there any further questions?

Mr. PICKERSGILL: I did want to ask a question or two about Montreal and I would like to make a prelude to what I want to say in order that the record will be straight. I made an observation earlier in the case, and on checking the records of the Senate committee and on further examination of the order in council I feel I should modify it. I said at that time it appeared to me, on the face of it, that the board had broken the law by granting the application in Montreal. On a more careful examination of the statute and of the amendment made in the Senate and on reading the evidence which I had not ever read up until that time in the Senate, I came to the conclusion that this certainly was not a breach of the technical wording of the law.

Mr. MACDONNELL: You are a better lawyer now than you were then.

Mr. PICKERSGILL: Yes, and also a little better politician now that I was then. It will be recalled by members of the committee who follow these things that that amendment came back to us from the Senate on the last day of the session, September 6, 1958, the day that by general agreement the session was to be wound up. There had been a very important amendment made by the Senate which we had sought to make in the house to establish the tenure of the president and vice-president of the C.B.C. on what we thought was the more certain foundation of good behaviour, although in view of recent events one might question that. This Senate amendment was explained by Mr. Nowlan. There was very little questioning about it. In respect of Mr. Nowlan's explanation which was made at that time, I think I can only say we were led, in the House of Commons, to believe that the only purpose of that amendment was to safeguard existing stations and not to safeguard existing corporations. I still feel, in the light of what was told us in the house by the Minister of National Revenue, that it was a regrettable thing to add a new station to the number of those which are not owned in Canada, particularly when one recalls the emphasis that was placed in the debate in the House of Commons on Canadian ownership in stations. Having made a statement which I thought after further study was an exaggeration, if I have in any way hurt the feelings of the board or anything of that sort, I want to apologize and withdraw any suggestion that they actually broke the law; but I do not withdraw any suggestion that they should not have given a licence to a new television station which is a non-Canadian company. I think this is regrettable and unnecessary.

Mr. McGRATH: Would Dr. Stewart put on the record, in order to keep the record straight, the corporate structure of the successful Montreal applicant in terms of its Canadian ownership.

Dr. STEWART: It is owned by Canadian Marconi which, in turn, is owned by the English Marconi Company.

Mr. McGRATH: Is there not some provision in your regulations that there must be so many Canadian directors?

Dr. STEWART: No, but there is in the act. Section 14(1) of the act mentions two-thirds of the directors and three-quarters of the shares. They conformed to this section of the act.

Mr. McGRATH: And three-quarters of the shares were owned in Canada?

Dr. STEWART: No. They do not conform to that, because they have an exemption under 14(2).

Mr. McGRATH: Would you explain that?

Dr. STEWART: 14(1) reads:

The board shall not recommend the issue of a licence or grant permission to operate a network of broadcasting stations unless the applicant therefor is

(a) a Canadian citizen, or

(b) a corporation incorporated under the laws of Canada or any province, the chairman or other presiding officer and at least two-thirds of the directors of which are Canadian citizens and at least three-fourths of the shares of which (having full voting rights under all circumstances) belong to

(i) Canadian citizens, or

(ii) a corporation other than a corporation controlled directly or indirectly by citizens or subjects of a country other than Canada.

In essence this defines the maximum non-Canadian participation in the holding of voting stock or in the participation in the board of directors. Subsection 2, however, exempts from the requirements of subsection (1) upon such terms and conditions as the governor in council may prescribe, any person who, at the time of the coming into force of this act, was the holder of a licence and was not a person described in paragraph (a) or (b) of subsection 1.

Mr. PICKERSGILL: These people held a radio licence.

Dr. STEWART: Yes.

Mr. McGRATH: When the new act came into force did you examine the set up of CFCF radio in Montreal. I am speaking of the time prior to the entertainment of the application for the second channel in Montreal. Did you examine the corporate structure of the ownership of CFCF radio in Montreal to see if they met the terms and conditions of the new legislation?

Dr. STEWART: No; but we saw an order in council which exempted them from these conditions.

Mr. McGRATH: This is the very thing you are applying.

Dr. STEWART: They had an order in council.

Mr. PICKERSGILL: They presented the order in council with their application, so this was a decision which at least they were qualified to apply, a decision made by the government prior to their application being heard by the board.

Dr. STEWART: Through order in council, yes.

Mr. PICKERSGILL: So the people we should blame for this are only half the board and half the government. I do not ask you to apportion the blame.

The CHAIRMAN: Any further questions?

Mr. MACDONNELL: Do I understand this amendment which Dr. Stewart proposed and which we discussed earlier on is still outstanding?

Dr. STEWART: We asked if we might discuss it in the full board at their meeting on Monday and then communicate to the chairman the views of the full board on this amendment because it had not been before the full board.

The CHAIRMAN: Are there any other questions? Then we shall conclude this meeting. This is the last meeting with the board of broadcast governors. We have this amendment which should be added to today's proceedings because it is a bit different, as described in *Hansard*. Is it agreed that we add this to the minutes of today's meeting?

Agreed.

Our next meeting will be on Tuesday at 9.30 and we will meet with the Canadian association of broadcasters.

Mr. McGRATH: It should be recorded that Dr. Stewart and Mr. Allison have been very excellent with us, and very cooperative.

The CHAIRMAN: I want to thank them.

Mr. PICKERSGILL: I could not dissent from that even though I dissent from some of their judgments.

I would like to say, Mr. Chairman, that I understand it has been the decision of the committee—and I have been rather intermittent in my attendance—that the C.A.B. are the last witnesses, so there would be no opportunity for me to call Mr. Sedgwick of Toronto. I want it recorded, however, that I would like to have Mr. Sedgwick and to be able to examine him under oath.

The CHAIRMAN: It will be in the minutes, I imagine. Are we agreed that we rise now?

The committee adjourned.



## APPENDIX "A"

## RECOMMENDATION TO THE SPECIAL COMMITTEE ON BROADCASTING

*I Recommended Amendment*

The Board recommends that subsection (4) of Section 13 be deleted and the following substituted therefore.

## (4) (a)

The Board may after it has held a public hearing at which the Corporation and other interested licensees have been given an opportunity of being heard, grant permission to a licensee to operate the broadcasting station to which his licence relates as part of a designated network other than one operated by the Corporation, or revoke any permission so granted.

## (b)

The Chairman of the Board or his representative may grant or revoke permission to a licensee to operate the broadcasting station in respect of which his licence was issued as part of any network for the broadcasting of a particular program or series of programs extending over a period not exceeding six months, but if the broadcasting station is operated as part of another network, no such permission shall be granted except subject to the conditions of affiliation between the licensee and the operator of such other network.

*II Changes from Previous Legislation*

There are three amendments in this new subsection and all are found in paragraph (b).

1. The authority formerly given to the Board and by Section 9 (3) to the Executive Committee of the Board is now to be exercised by the Chairman or his representative.
2. The time is extended from one month to six months.
3. The permission can be granted without the consent of the licensee's permanent network operator but must be subject to the contractual conditions existing between an affiliate and its network.

*III Reasons for Amendment*

The reasons for each amendment are given in the same order as outlined in II above.

1. The Board meets approximately six times per year and the Executive Committee about a similar number of times in between meetings of the full Board. Thus, it is quite normal to expect that a period of up to a month could elapse from the time of a request until the Board or the Executive Committee would meet to make a decision on the application. As the great majority of these applications must be handled in less than one week, it is administratively impossible to deal with these and still observe the actual requirements of the Act. Under the Law the Board and the Executive Committee could not delegate the power which Parliament has delegated to them. ("Delegatus non potest delegare"). Thus, to make this work the delegation in the first instance should be to the Chairman or his representative.

2. A great number of these temporary network hook-ups are for a series of sports programs, such as hockey, football or baseball league where the local station is desirous of joining with other stations or networks to follow the hometown or other teams in the same league. Such a network is not a permanent operation but only exists during the activity of the league. It would appear

that six months should be sufficient to cover most of these temporary network requirements. At the present time the Board is required to receive and act on a series of thirty day applications in order to cover the situation.

3. Parliament has appointed the Board as the regulatory body in the Broadcasting field and has by section 10 of the Act told it to "regulate the establishment and operation of network of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions thereto".

One of the problems which arises in this field is the case contemplated by section 14 (4) (b) where a station affiliated with one network desired to operate temporarily for a specific purpose as a part of another network. Under the present section the Board has not the final decision in such a case, this belongs to the permanent network operator with which the station is affiliated.

Stations which are affiliated with a network surrender by contract certain hours of broadcast time to be programmed by a network operator. The agreements provide that the licensee must make this time available to the network on notice as set out in the contract. In addition the network operator may order additional time for special events. All these eventualities are set out in the affiliation contract. However, certain of the broadcast time of a station is reserved to a station and, subject to special request by the network under the contract, is free to be programmed by the station as it deems fit. It is the Board's opinion that the network operator ought not to have the control over this time, which present section gives him, but rather the station should, subject to its contractual obligations with the network, be free to dispose of this time as it sees fit, subject to and within the restrictions contained in the Regulations of the Board made pursuant to the Broadcasting Act.

## APPENDIX "B"

## CANADIAN BROADCASTING CORPORATION

140 Wellington Street,  
Ottawa, Ontario.  
June 16, 1961.

Mr. A. Chassé,  
Clerk of the Broadcasting Committee,  
Room 236, West Block,  
Ottawa, Ontario.

Dear Mr. Chassé:

Included herewith are two further returns requested during the course of Broadcasting Committee meetings. The delay in making these returns is regretted but both of them have been difficult and time-consuming to assemble.

On May 4th Mr. Arthur Smith requested a return showing the total number of free-lance people engaged abroad and the total number of free-lance people sent abroad by the Corporation on program assignments. We have collected this information for the fiscal year 1959-60 and our records show that the number of free-lance people engaged abroad in that year was 800, at a total cost (fees and expenses) of \$287,107. For the same year the number of free-lance people sent abroad was 34. The total fees and expenses in this case were \$27,287. It should be noted that the latter cost figure does not include a few cases where the person in question received an overall fee for a series of programs of which the foreign assignment formed a part.

On May 9th Mr. Horner requested information about the number of artists imported into Canada by the Corporation to perform on CBC programs. The requested return is attached in fifty (50) copies for the calendar year 1960. It should be noted that the return covers French and English network performances in television only.

We have no record of any further returns to be made to the Committee.

Yours sincerely,

(Signed) Barry MacDonald

(Barry MacDonald)  
Director, Policy Section,  
Corporate Affairs.



## APPENDIX "C"

CANADIAN BROADCASTING CORPORATION  
NON-RESIDENT PERFORMERS

Brought into Canada to perform on C.B.C.  
television programs during calendar year 1960

## SUMMARY

Total amount of travel expense in those cases where  
the fee negotiated was not inclusive (45 panelists  
and 30 actors, musicians and singers) ..... \$ 19,698.  
Total fees paid ..... \$424,634.  
including travel in the majority of cases, where  
the fee negotiated was inclusive

- NOTES: (1) The attached sheets give the names of the performers.  
(2) Where the performer made more than one appearance the  
number of appearances is shown in parenthesis.  
(3) The total number of performances shown in the attached  
is 386.  
(4) The annual total of individual performances on the French  
and English television networks is approximately 79,000.

June 16, 1961.

CANADIAN BROADCASTING CORPORATION  
NON-RESIDENT PERFORMERS

Brought into Canada to perform on C.B.C. television  
programs during calendar year 1960

## TORONTO

## "MUSICMAKERS"

Kaye Ballard	Peter Gennaro
Dick Shawn	Shelley Berman
Dorothy Collins	Dede Wood
Morey Amsterdam	Barbara Carroll
Carmen MacRae (2)	Johnie Puelo
Bill Foster	Dorothy Loudon
Mel Torme	Pete Seeger
Della Reese	The Great Ballantyne
Steve Lawrence	Mel Torme
Andy Williams	Stubby Kaye (3)
Roger Ray	Ernestine Anderson
Marguerite Piazza	Gretchen Wyler
Johnny Nash	Lambert, Hendricks and Ross
Frank D'Rone	Carlos Montoya
Teddy Randazzo	Tommy Dorsey Band
Leonard Sues	Gloria de Haven
Mark Murphy	Gene Krupa
The Limelighters	Shari Lewis
Woody Herman and Billy Chase	The Brothers Four
Peter Palmer	Buddy Greco
Danny Daniels	Sandy Stewart
Arthur Schwartz	Robert Clary
Maynard Ferguson	Jonathan Winters (2)
Percy Faith	Jose Greco
Bryan Sullivan	The Hi-Los (2)

## LIVE A BORROWED LIFE

Ayn Rand  
 Walter Slezak  
 Jan Sterling  
 Caitlan Thomas  
 Alexandra Tolstoy  
 Monique Van Vooren  
 Friedelin Wagner  
 Paulette Goddard  
 Monty Hall  
 Gaylord Hauser  
 Stubby Kaye  
 Dennis King  
 Ilka Chase

Marc Connelly  
 Hans Conreid  
 Fleur Cowles  
 Nina Foch  
 Betty Furness  
 Alexander Kerensky  
 N. Koslovsky  
 Sir Fitzroy MacLean  
 Lauritz Melchior  
 Commander K. T. Ian Murray  
 Darrin McGavin  
 Jeanne Modigliani Nechtschein

## STARTIME

Anthony Quayle  
 Madeleine Sherwood  
 Lee Venora  
 Arthur Hill  
 Leslie Nielsen  
 Joan Greenwood  
 Fernando Corena  
 Cesare Valletti  
 Sir Thomas Beecham

Lois Nettleton  
 Beverley Bentley  
 Pamela Brown  
 Hugh Griffith  
 Dame Edith Evans  
 Maurice Evans  
 Barbara Lord  
 Edward Mulhare  
 Nehemiah Persoff

## FRONT PAGE CHALLENGE

Charlie Mingus  
 Robert Murphy  
 Right Hon. Philip Noel-Baker  
 Andrei Porumbeanu  
 Mrs. Andrei Porumbeanu  
 Joe Rosenthal  
 Robert Clary  
 Jackie Coogan  
 Ingemar Johansson  
 Rt. Hon. Anthony Nutting  
 Branch Rickey  
 Jack Riley  
 Mort Sahl  
 Insp. Walter H. Thompson  
 Roger Woodward  
 Dr. K. C. Wu  
 Herr Max Schmelling  
 Jacques Soustelle  
 Dianna Turkow  
 Comm. Bradwell Talbot Turner  
 Mickey Alpert

Brendan Behan  
 Rudolph Bing  
 Ray Brennan  
 Matt Busby  
 Roy Campanella  
 Eddie Chapman  
 Philip Cochrane  
 Leslie Cohen  
 Morris Cohen  
 Bob Crossland  
 Major Christopher Draper, DSC  
 Dame Margot Fonteyn  
 Alvin Goldstein  
 Mr. Geoffrey Hallowes  
 Field Marshall Lord Harding  
 Harry Jerome  
 Judge Samuel Leibowitz  
 William Mazerowski  
 Tom Mboya  
 David Merrick

## G. M. PRESENTS

Michael Craig  
 Sheppard Strudwick  
 Jose Barrera  
 Alan Young  
 William Redfield  
 Michael Craig  
 Constance Cummings  
 Gwen Frangcon Davies

## GISELLE MACKENZIE SPECIAL

Jack Rages  
 Bob Crosby  
 Snooky Lanson

## PARADE

Janis Paige  
 Betty Comden and Adolph Green  
 Pete Seeger

## SWING GENTLY

Susan Johnson  
 Nina Simone  
 Robert Maxwell

## JOAN FAIRFAX SHOW

Carmel Quinn  
 Brendan O'Dowda

## TIMEX CONCERT HOUR

Robert Merrill

## DOCUMENTARY

Raymond Massey

## CLOSE-UP

Claudia McNeil  
 Mort Sahl  
 John Wayne

## WORLD OF MUSIC

Felicia Sanders  
 Ernestine Anderson  
 The Axidentals

## JULIETTE SHOW

Jerry Vale

## FESTIVAL '61

Martita Hunt  
 Kathleen Widdoes  
 Fritz Weaver

## FIRST PERSON

Terry Carter

## FANCY FREE

Orson Bean  
 Senor Wences

## P. M. PARTY

Jerry Shane (2)  
 Jim Moran

## "NEW YEAR'S EVE SPECIAL"

Carlos Montoya  
 Shari Lewis  
 Carl Ballantine



## MONTREAL

## MUSIC HALL

Field Sisters  
Koa  
Well & Four Fays  
Zippy  
Josephine Baker  
Mata & Hari  
Jacqueline Nero  
Jean Philippe  
Roger Pierre  
Marie Posusta  
Francisco Riera  
Jocelyne O. Roche  
Catherine Sauvage  
Hazel Scott  
Jean Siegfried  
Edmond Taillet  
Guy Theron

Jean Thielemans  
Trois Menestrels  
Florence Veran  
Bernard Peiffer  
Michel De la Vega  
Andre Dassary  
Teddy Pompoff Family  
Fernando Sirvent  
Tonito  
Dizzy Gillespie  
Lucienne Boyer  
Guylaine Chailler  
Micheline Dox  
Daniel Dolinoff  
Pierre Dudan  
Moulin Fernand  
The Four Kovacs

Johansson & Eva Borge  
The Gret Barton  
Georges Guetary  
Gloria Lasso  
Francis Lamarque  
Wallon & Sina  
Les Domenics  
Chief White Eagle  
Dietrich & Diane  
Yollanda & Rodriguez  
Rudy Docky  
Ros. Ruby Szoczy  
Martha & Adolfo  
Greate Delage & Margaret  
Vernon Bumpy  
Goldini Sisters

## RECITAL

Wm. Massilos  
Zara Nelsova  
Julian Breem  
Antonio Janegro  
Henryk Szerynz  
Juanita Porras  
Jacques Jansen  
Allen Rogers

Gerard Souzay  
Joseph Szigeti  
Christian Ferras  
Roland Turini  
Elena Nikolaidi  
Monique Haas  
Lili Kraus  
Johanna Martizy

Lois Marshall  
Pierre Barbizet  
Ray Dudley  
Adele Addison  
Norman Farrow

## L'HEURE DU CONCERT

Maurice Sarrazin  
Beverly Schmidt  
Soc. Pro Musica de  
New York  
Pierre Violier  
Anneliere Widman  
Felix de Nobel  
City Center Music

Drama Inc.  
Albert Reid  
Elena Nikolaidi  
Roger Rowell  
Mathe Altery  
Peggy Barclay  
Sally Cohen  
Christine Fay

Linn Howard  
Jacques Jansen  
Arlene Laub  
Murray Louis  
Lise Nadeau  
Peggy Novey  
Wilfried Pelletier

## CARAVAN

Eva Walker  
The Hustries  
Albert Red  
La Flotte  
The Henry's  
Sonny Moore Roustebouts  
The Hassen Ognomites  
The Markos  
Frank Cook  
Edgar Marino & Angel  
Rodrigues  
Bud Carle & Rose  
Horton  
Ernest Gauthier  
Walcott Canine Revue

Koa  
Marvellous Basos  
Rudinoff  
Elena Omar  
Wimpy  
Bobby Jule  
Shooting Gauchos  
Bert Holt  
Lalobral Beatty  
Capt. Eddy Kuhn  
Paramount Bear  
Hanthom  
Ivano Va's  
The Great Eugene  
Ben Dova

Freda Wiswell  
Grabriels Dogs  
Hollywood Bears  
Stanley Babe  
Count Roberto de  
Vasconcellos  
Watkin Chimp  
Bill Green  
George Keller  
The Kelroy  
Capt. Tilbor Seals  
Slickers Seals  
The Tuckers  
The Virginians

## VARIETES

Emile Hebey  
Jean Siegfried

## RENDEZ VOUS AVEC MICHELLE

Georges Guetary  
Catherine Sauvage

## CBC VARIETY SHOW

Honeydreamers Inc.

## VARIETY SHOWCASE

Kenneth McKellar  
Jean Ritchie

## JAPANESE SPECTACULAR

Japanese Spectacular

## MES CHANSONS

Catherine Sauvage

## GOOD EVENING MR. SINCLAIR

Jackie Kahane

## PETITES SYMPHONIES

Lili Kraus  
Kendall Taylor

## SHOESTRING THEATRE

Marcia Morris

## METRO MAGAZINE

Edmond Taillet

## NOIR ET BLANC

Jean Thielemans

## PREMIER PLAN

Catherine Sauvage

## CBC WEDNESDAY NIGHT

William McGrath

## DISTINGUISHED ARTISTS

Allen Rogers  
Henryk Szeryng

## CONCERT

Betty Jane Hogan  
Zara Nelsova  
Michel Legrand  
Wilfred Pelletier

## PARTAGE AU MATIN

Catherine Sauvage

## CE SOIR

Mathe Altery  
Micheline Dan  
Michel Legrand  
Jocelyne O. Roche  
Maurice Sarrazin

## CARREFOUR

Andre Brahmy  
Wilfred Pelletier  
Maurice Sarrazin  
Edmond Taillet

## METROPOLITAN OPERA

Maurice Sarrazin

## G.M. VOUS INVITE

Vickey Autier  
Donna Gresco  
Michel Legrand  
Dave & Pudy Pitt  
Rola & Roland  
Debbie Stiles  
Marcelli & Jean  
Miguel Salo Bral & Carmen  
Salo Bral  
Luc Poret  
Edmond Taillet  
Robert Clary

## LA VIE QUI BAT

Albert Rex

## LES TROIS VALSES

Mathe Alterif

## AU PETIT CAFE

Mathe Alterif

## LA VEUVE JOYEUSE

Rene Blanc

## INTERVIEW

Francis Lemarque

## SOIREE LITTERAIRE

Catherine Sauvage

## G.M. PRESENTE

Francis Lemarque

## BONJOUR MADAME

Josephine Baker

## CHEZ MIVILLE

Mathe Altery  
Lucienne Boyer  
Andre Brahmy  
Pierre Dudan  
Catherine Sauvage  
Edmond Taillet  
Authier Vickey

## CLUB DES AUTOGRAPHES

Lucienne Boyer  
Guylaine Chailler  
Cecile Deville  
Pierre Dudan  
Emile Hebey  
Jean Philippe  
Noel Pinault  
Jocelyne O. Roche  
Jean Siegfried

Art .  
ha Nil



HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 31

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TUESDAY, JUNE 20, 1961

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WITNESSES:

Messrs. T. Jim Allard, Don Jamieson, of the Canadian Association of Broadcasters.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chatterton	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## ORDER OF REFERENCE

MONDAY, June 19, 1961

*Ordered.*—That the name of Mr. Chatterton be substituted for that of Mr. Chown on the Special Committee on Broadcasting.

Attest

LÉON-J. RAYMOND  
*Clerk of the House.*

## MINUTES OF THE PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.

JUNE 20, 1961.

(40)

The Special Committee on Broadcasting met at 9.40 o'clock a.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Chatterton, Danforth, Fairfield, Forgie, Lambert, Macdonnell (*Greenwood*), McCleave, McGrath, McIntosh, McQuillan, Regnier, Richard (*Ottawa East*), Webb—14.

*In attendance:* From the Canadian Association of Broadcasters: Messrs. Don Jamieson, President, and T. J. Allard, Executive Vice-President.

The Chairman advised that representations were made to him by certain members to have this morning's meeting postponed due to other commitments. It was agreed to continue with this sitting.

A letter filed with the Committee, dated June 19, 1961, from the Canadian Broadcasting Corporation, commenting on the effect of a change in Section 13(4)(b) of the Broadcasting Act, 1958, as suggested to the Committee by the permanent members of the Board of Broadcast Governors, is appended hereto, as ordered on June 15, 1961. (*See Appendix*). A copy of the said letter was supplied to each member present and one placed at the House of Commons post office for each member unavoidably absent or engaged with other Committees so that all members may be made aware of the contents before the resumption of the meeting at 2.30 o'clock, p.m.

The Chairman read a letter into the record, dated June 20, 1961, from Dr. Andrew Stewart, clarifying the position of the Board of Broadcast Governors with reference to a statement presented to the Committee on June 13th by Dr. Stewart in which he recommended an amendment to Section 13(4) of the Broadcasting Act, 1958.

Mr. McGrath made a correction with reference to printing of Evidence on Page 913. (*See Evidence*).

Messrs. Jamieson and Allard were introduced, and then Mr. Jamieson made a brief comment on the proposed amendment to Section 13(4)(b) of the Broadcasting Act, 1958, as suggested by the Board of Broadcast Governors and was questioned thereon, assisted by Mr. Allard.

Mr. McGrath suggested postponement of further questioning of the witnesses until they had an opportunity to study the Canadian Broadcasting Corporation's views on the suggested amendment to Section 13(4)(b) of the Broadcasting Act, 1958.

Messrs. Jamieson and Allard were then questioned on matters dealing with regulating rates and wired television systems.

The questioning being continued, at 10.45 a.m. the Committee adjourned until 2.30 p.m. this day.

M. Slack,  
*Acting Clerk of the Committee.*



## AFTERNOON SITTING

(41)

THE SENATE, Room 356-S.

The Committee resumed at 2.30 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Mrs. Casselman, and Messrs. Creaghan, Fairfield, Fisher, Fortin, Horner (*Acadia*), Lambert, McGrath, McQuillan, Pickersgill, Rouleau, Simpson, Webb—(13).

*In attendance:* The same as in the morning.

The examination of Messrs. Don Jamieson and T. J. Allard was continued.

At the conclusion, the Chairman thanked the witnesses for their attendance and valuable contribution.

At 4.30 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,  
*Clerk of the Committee.*

## EVIDENCE

TUESDAY, June 20, 1961  
9.30 a.m.

The CHAIRMAN: Good morning, Mrs. Casselman, and gentlemen. We now have a quorum.

There have been representations made to me today to have this meeting postponed until this afternoon by some members who are unavoidably absent on what is to them more important, the railways or banking committees.

What is the feeling of this committee? Do you want to carry on this morning?

Mr. McGRATH: Carry on.

Mr. DANFORTH: Yes. There are further meetings this afternoon.

The CHAIRMAN: I want to welcome at this time Mr. George Chatterton, the new member of the committee. He is the member for Esquimalt-Saanich.

Today we have received from the C.B.C., as discussed in the last meeting, a report by them on the suggestion by the B.B.G. of amendments to section 13(4)(b) of the Broadcasting Act. I do not know whether you all have it. Would it be all right if we had this made an appendix to today's proceedings, as was suggested at our morning sitting on Thursday of last week.

Some Hon. MEMBERS: Agreed.

Mr. McCLEAVE: It is refreshing to have a statement from the president of a crown corporation which is different from the ones we have been receiving.

The CHAIRMAN: You have read it, have you?

You will recall that Dr. Stewart stated that this was a tentative amendment they were putting forward in connection with 13(4)(b), and that the meeting of the board of broadcast governors had not been held. Now, I received a letter this morning, and I would like to read it to you. Although I have not read it myself, I think it is rather important, as I have an idea what is in it. It is rather lengthy:

48 Rideau street,  
Ottawa, Ontario  
June 20, 1961

Dear Dr. Fairfield:

I refer to the proposal for amendment of section 13(4)(b) of the Broadcasting Act which I presented to the special committee on broadcasting on Tuesday, June 13th.

The proposal was prepared originally for consideration by the full board on Monday, June 19, on our expectation that the representatives of the board would not be recalled by the committee until after this date. When we were advised to appear before the committee on Tuesday, June 13, and Thursday, June 15, and that our evidence would be concluded on the latter day, we felt it wise to put this proposal on record although it had not yet been approved by the

full board. You will recall that on Wednesday, June 14, when we were again before the committee, I pointed out that the proposed amendment had not been before the board, and that after its meeting on June 19 the board would doubtless wish to make its comments in writing to the committee.

The proposed amendment to section 13(4)(b) of the act was fully discussed at the meeting of the board on June 19.

(1) With the reference to the authority to grant approval of an application to operate as part of a temporary network, and to the extension of the period from one month to six months, the board recommends as follows:

If the duration of the temporary network is less than two months, authority to grant approval should be vested in the chairman or his representative; but if the duration of the network is greater than two months but less than six months, approval should be given only by the full board or the executive committee of the board. (NOTE: if the section were amended as recommended, section 9(3) would also have to be amended to extend the powers of the executive committee).

(2) After discussion of the proposal to delete the words "no such permission shall be granted without the consent of the operator of such other network"; and the substitution therefore of the words "no such permission shall be granted except subject to the conditions of affiliation between the licensee and the operator of such other network", the board passed the following resolution:

"That, in view of the mandate imposed on the Canadian broadcasting corporation under section 29(1) of the Broadcasting Act to operate 'a national broadcasting service', the board of broadcast governors is not now in favour of the amendment to section 13(4)(b) proposed by the Canadian association of broadcasters; and further the board recommends to the special committee on broadcasting that the words 'no such permission shall be granted without the consent of the operator of such other network' be retained in section 13(4)(b) without amendment."

Yours sincerely,

"Andrew Stewart,"

Chairman.

Dr. George C. Fairfield,  
Chairman,  
Special Committee on Broadcasting,  
House of Commons,  
Ottawa, Ontario.

We have with us today Mr. Don Jamieson, president of the Canadian association of broadcasters, and Mr. T. J. Allard, executive vice-president. Both these gentlemen are present.

Mr. McGRATH: May I ask for a correction in connection with the fourth paragraph on page 913. There is a comment there which has been charged to me which I, in fact, did not make. I do not know who is the author of it, but it is not mine.

The CHAIRMAN: What is the page?

Mr. McGRATH: Page 913, the fourth paragraph.

Mr. LAMBERT: I acknowledge paternity.

The CHAIRMAN: All right. It seems rather an innocuous one, in any event.



As I said, we have with us the president of the Canadian association of broadcasters, and I wonder if he has any statement to make in connection with the 13(4)(b) amendment, since it was his association which first recommended this. It has been considered by the B.B.G. What do you think of their decision, Mr. Jamieson?

Mr. DON JAMIESON (*President, Canadian Association of Broadcasters*): Our position, Mr. Chairman and Mrs. Casselman, is precisely what it was in the presentation which we made to this committee originally.

We still feel, as mentioned here under the headings of "Network Powers" in our original submission—and perhaps it might be useful to the committee if I read this paragraph. I quote as follows:

We suggest the committee consider the limitation appearing in section 13, subsection (4), paragraph (b) of the Broadcasting Act. In paragraph (a) of this subsection, the board is given the power to permit a licensee to operate as part of a network other than one operated by the corporation. In paragraph (b) the board is given power to grant a licensee permission to operate his station as part of any network for the broadcasting of a particular program or a series of programs over a limited period. However, it goes on to say:

But if the broadcasting station is operated as part of another network no such permission shall be granted without the consent of the operator of such other network.

We feel that this phraseology has a tendency to tie the board's hands and places some power in the hands of the network operator rather than of the B.B.G. Moreover, the phraseology might, in fact, defeat worthwhile objectives and some of the fundamental purposes of the act. Let us assume a situation in which an individual broadcasting station is operating with the board's permission as part of a privately owned network. By agreement with the corporation, it desires to take for a 30-day period a program or series of programs of great public value or importance. The desire to have the station carry these programs could be defeated by objection from the operator of a privately owned network. We recommend that the committee give consideration to the deletion of the phraseology "but if the broadcasting station is operated as part of another network, no such permission shall be granted without the consent of the operator of such other network."

—in other words, the deletion of this particular paragraph to which Dr. Stewart's letter refers.

Mr. LAMBERT: In this connection, you are not suggesting, are you, that the legislation should be so amended that it would go across and over-ride affiliation agreements?

Mr. JAMIESON: No, sir.

Mr. LAMBERT: I presume that in your suggestion you do accept the fact of contractual limitations under your affiliation agreements?

Mr. JAMIESON: Unquestionably. I suggest these have precedence over any other considerations except, perhaps, a matter of national importance, or something of this sort, in which case I would imagine there would be no problem, anyway.

Mr. LAMBERT: And, in these affiliation agreements do you recognize the limitation or the consent of the network operator, be it a private or public one, to apply not only to the directly reserved time, but also to option time?

Mr. JAMIESON: It is rather difficult to say, certainly, because of the difference in interpretation that is given to these words, "reserved" and "option".

It is my understanding that the corporation, for example, puts a somewhat different meaning on the word "reserved" as opposed to the word "option", and they are used interchangeably by the B.B.G. This follows my understanding that what the B.B.G. refers to as reserved time is regarded by the corporation as being option time, and I think there is a big area of misunderstanding here which ought to be clarified.

Mr. LAMBERT: Has the Canadian association of broadcasters any agreement with either the corporation on the one hand, or the B.B.G. on the other, as to terminology and the force of the affiliation agreements of its members?

Mr. JAMIESON: I believe it would be fair to say that our interpretation of option time is these time periods which are actually covered by the affiliation agreement. Of course, it is possible to have certain times which are reserved, but which are not necessarily used by the network operator at any given time.

It is my understanding that the corporation used the word "reserved time" to apply to all time periods which might be made available to it, whereas "option time" is those times which are actually being used. I am not sure if I am making this clear, but it is a very complicated subject.

Mr. LAMBERT: I thought that the general conception was that reserve time was when the corporation said: "You will carry these programs," and in addition to that, it had certain time periods in which it might "opt" upon notice for the carrying of certain specified programs, such as football games and other programs, shall we say, of seasonal or local interest.

Mr. JAMIESON: I think the words could be reversed. It really does not make too much difference, I suppose, in terms of interpretation. Perhaps I might explain it this way: under the agreement between the network operator and the station, the network operator in this case, the corporation, has the right to utilize certain time periods. It does not necessarily have to utilize these time periods. It is our understanding that this over-all situation is referred to as reserve time. This is time which they might in fact take. What they actually take, and say these are program periods which we are definitely going to fill—this is what we regard as being option time. In some quarters they regard option time as being that on which they have an option, if you like; but in practice we have looked upon the periods which they actually use as being option time.

Mr. LAMBERT: I think that I would contend to the contrary.

Mr. JAMIESON: I do not think that in the final analysis it makes that much difference as long as we all work on the same set of definitions, sir.

The CHAIRMAN: How do the affiliates feel about this proposed amendment to section 13(4) paragraph (b) as put forward last week to the B.B.G?

Mr. JAMIESON: In this case I would emphasize that I am here today as president of the Canadian association of broadcasters and not necessarily as a representative of the affiliates. In other words, they are two separate organizations in some respects. As an affiliate myself, I think it is fair to say that in principle we would agree with the greatest amount of alacrity in terms of where the authority lies, and in this way, I think we would support the principle as expressed by Dr. Stewart.

Mr. McGRATH: Have you seen Mr. Ouimet's letter of June 19, 1961?

Mr. JAMIESON: No, I have not. There are many qualifications, incidentally, if the committee would wish to have them, or to have an elaboration on them. I say that we support in principle the idea of some clear-cut authority; but there are other matters in this connection which the committee might want to pursue, because I would not want to leave it as just a flat endorsement of this matter.

Mr. McGRATH: Perhaps the witness might qualify his answer.



Mr. LAMBERT: Perhaps we could get from Mr. Jamieson an idea as to whether the present wording of the act has worked any actual hardship on the administrative side as well as in the field, or whether or not it limits what would be the reasonable expectations of an affiliated station and other stations which are tied in with the C.B.C.

Mr. JAMIESON: Answering the first part of your question, the matter has not of course arisen up to the present time, because actually the so-called second stations went into operation, and were, I consider, affiliates of the C.B.C. Therefore, the problem, if such it is, to cross-programming, or to cross network programming has not originated up to this point, because of the fact that a second network is not in existence. So to answer specifically whether or not we have had any difficulty the answer would have to be no, because there has never been a problem.

Mr. LAMBERT: What about local regional networks in radio?

Mr. JAMIESON: This has worked out quite well up to now in so far as locals are concerned. As I understand it, the corporation has no objection now to the formation of networks among groups of its own affiliates. In other words, we have never had any serious problems. If a group of stations in the Atlantic region, for example, wished to come together to broadcast a hockey game, or something of that kind, and if those stations were affiliates of the corporation, there has never been any serious problem in this regard in operating under the dictates, if you like, of the legislation. The difficulty is going to be, of course, in the future when this second network is operating, and conceivably there are occasions when programs originating, shall we say, on the second network, may be offered to affiliates of the C.B.C., so that the stations which are affiliates of the corporation would want to pick them up and form some sort of ad hoc network which would cross the network lines. It seems to me that is the way the problem is going to originate.

Mr. McGRATH: Actually, Mr. Ouimet says in his letter that he draws a great distinction between electronic networks and the use of video tape. I have not had a chance to study the letter, but it seems to me that they do not look upon video tape with the same concern that they would look upon the hooking up of some of their affiliates in an actual electronic network. How do you feel about that?

Mr. JAMIESON: In the long run I wonder if it really makes that much difference. It seems to me that the prime concern here is that the public, the viewers, ought to be served to the best possible advantage. I doubt very much if the average viewer would have any indication of the source from which the program comes; for example, if it is a film or video tape, I do not think the viewer is in the least concerned. So therefore in the long run I do not really see that there is this important differentiation.

Mr. McGRATH: Is it fair to suggest that perhaps what the corporation is in effect concerned with is the retention of their network identity which might be more successfully done if they allowed their affiliates to take video tape from a second network?

Mr. JAMIESON: This presumably would be the corporation's view. My point is simply that I do not think they are any closer to accomplishing their objectives by drawing a line between, shall we say, the mechanical means of reproduction, and electronic means of reproduction. I think the end result could be exactly the same except, of course—and this is probably the corporation's concern—in connection with matters of instantaneous importance which would require simultaneous release; and in this case the setting up of this equipment clearly through the means of microwave, and the like, is the end about which I think the corporation is mostly concerned.



Mr. MACDONNELL: I want to clear my mind on two things. Am I right in thinking that Dr. Stewart's letter which you read this morning is in effect accepting the position taken on this point by Mr. Ouimet? In other words, it provides that the consent of the C.B.C. in this case is necessary? Secondly, do I understand Mr. Jamieson correctly in saying that he approves the view of Dr. Stewart?

Mr. JAMIESON: The second point is one that I might answer, but the chairman may wish to elaborate on Dr. Stewart's letter. I agreed in principle with the idea of the authority resting with a single body rather than in a somewhat confused area between the C.B.C. and the B.B.G.—it has been our contention all along that this is required. We think it would be a good thing.

Mr. McGRATH: There seems to be some doubt in the minds of the committee as to just exactly what Dr. Stewart's stand is now.

The CHAIRMAN: With reference to the authority to grant approval to operate as part of a temporary network, you will recall that in the amendment suggested authority was granted to the chairman or his representative to receive such an application and to grant approval. If you will look back in the proceedings I think you will see that it reads: "the chairman of the board or his representative". Now he suggested that first clause, that if a temporary network is for less than two months, the chairman or his representative may grant disapproval. But if it is anywhere from two to six months, then it must be the whole board. In other words, the chairman or his representative cannot give approval for a period of six months. It must be the whole board. But the chairman or his representative can do so far a period of two months.

Mr. MACDONNELL: That is a further condition, by the consent of the C.B.C.

The CHAIRMAN: I am just getting to that. We probably would make it clearer by re-reading it. After discussion of the proposal, delete the words "no such permission shall be granted without the consent of the operator of such other network", and substitute therefor the words "no such permission shall be granted except subject to the conditions of affiliation between the licensee and the operator of such other network". The board passed the following resolution.

The board passed the following resolution: that in view of the mandate imposed on the Canadian Broadcasting Corporation under section 29(1) of the Broadcasting Act to operate a national service, the board of broadcast governors is not now in favour of the amendment to section 13(4)(b) proposed by the Canadian association of broadcasters. Further, the board recommends to the special committee on broadcasting that the words: "no such permission shall be granted without the consent of the operator of such other network" be retained in section 13(4)(b) without amendment.

In other words, the position is the same as it ever was, except in granting a temporary licence to affiliate with another network the chairman, or his representative, can grant up to two months and the board can grant up to six months, but not without the permission of the C.B.C.

Mr. McGRATH: I think you are going to have to give consideration to calling Doctor Stewart back again to explain this. It is a complete reversal of the stand he took in the committee when putting forward this amendment.

The CHAIRMAN: You will recall he made clear in proposing this amendment that it was just an amendment he was proposing himself, but his whole board did not approve of it. I do not see there would be much use in calling Doctor Stewart back, because perhaps his stand and opinion are the same. The opinion of the whole board was that this is not a good idea.

Mr. MACDONNELL: Would it not be correct to say this is not a reversal of the whole board because the whole board had not considered it previously?

The CHAIRMAN: That is correct.

Mr. MCGRATH: When did the board meet in the interim?

The CHAIRMAN: They met yesterday.

Mr. MCGRATH: When was Doctor Stewart's letter dated?

The CHAIRMAN: June 20, just this morning.

Mr. JAMIESON: In answer to Mr. Macdonnell, when I said we were supporting Doctor Stewart's contention in principle, obviously I was referring to the intention in existence before this letter arrived. I am bound by a policy which our board and our association approved when we were asked for our original submission. Therefore, that was our point of view then and it continues to be the official point of view of the Canadian association of broadcasters. But, of course, I could not be expected to be aware of what Doctor Stewart's board decided yesterday. In reality our position now is not the same one as is presumably held by the B.B.C.

The CHAIRMAN: In effect you have not changed your standpoint?

Mr. JAMIESON: Obviously in this regard, were we now to take this back to our full board, perhaps in the light of the information given this morning we might conceivably change our position as well. It may be some evidence has emerged of which we are unaware.

Mr. MCGRATH: May I ask Mr. Jamieson a question? In his letter to the committee, on the first page, the fourth paragraph, Mr. Ouimet says:

The corporation is strongly against the suggestion made by Dr. Stewart on the grounds that in essence it proposes a fundamental change in the responsibility and authority of the national broadcasting service as provided by parliament.

First of all, Mr. Jamieson, I realize you have not had a chance to study this letter, but on the surface of it he does not seem to be taking into account the fact that the national broadcasting service is comprised of the public and privately owned systems. He is just taking it for granted that the corporation, and the corporation alone, has the authority to provide a national service. Would you feel that is a fair conclusion?

Mr. JAMIESON: Mr. McGrath, I think there has always been a measure of confusion over two important words in connection with broadcasting legislation, the two words being "system" and "service". As I interpret the act there is one system made up of private and public elements, with the public elements, or corporation, providing a national "service". In this way, and used in that framework then I would think Mr. Ouimet is correct in using the word "service". If you substituted the word "system" I would most certainly agree with your point of view. The C.B.C. is, in fact, only a part of the system. If I may elaborate on this, it is generally conceded the corporation provides a national service, but we have a national system which is made up of both the private and public elements. This perhaps may be the area in which there has always been a measure of confusion.

Mr. MCGRATH: May I proceed on this line?

The CHAIRMAN: Yes.

Mr. MCGRATH: In the second next paragraph Mr. Ouimet states:

At best the proposal involves a serious gamble with the future of the national broadcasting service as the price of providing expanded distribution of some second network commercial programs by means of



micro-wave. These programs, with few exceptions, can be successfully distributed by other technical means, such as video tape—and little or no threat to the established public service is involved.

I think Mr. Ouimet is being very technical and is probably splitting technical hairs.

Mr. JAMIESON: To repeat what I said earlier, if for example the end result is the simultaneous release of a program, or even non-simultaneous release of a program, in a wide variety of areas throughout the country, I suggest the means through which this is accomplished are not as important in the final analysis as Mr. Ouimet is inclined to state. In other words, if six, eight or ten films of a single event, or single program, are sent out and released through eight or ten stations, I am not at all sure in my mind that it is any great difference whether a film or microwave is utilized to achieve distribution.

Mr. McGRATH: Mr. Ouimet does not have a very good opinion of the second network because he says:

At best the proposal involves a serious gamble with the future of the national broadcasting service . . .

Of course, Mr. Chairman, I am only expressing a personal opinion but I am very concerned that the executive of the board has had changed views with respect to the proposed amendment to the act. Certainly it seems to me, on just a fast perusal of Mr. Ouimet's letter, that he does not make a very strong case for it.

Mr. JAMIESON: If I may elaborate a little further, Mr. Chairman?

The CHAIRMAN: Certainly.

Mr. JAMIESON: The reference to the national service applies to conditions as they have existed up to the present time but, in the long run conceivably there could be a national service provided by a second network. Again, we get into the matter of interpretation and definition. Conceivably a second network could provide an alternative national service, depending upon the definition you wish to supply to those words.

Mr. ALLARD: For the purposes of clarification, may I point out that the act does not refer to the Canadian Broadcasting Corporation as a national broadcasting service? I do not think it was contemplated it would necessarily be the only such service.

Mr. McGRATH: That apparently is not the interpretation of the corporation because they feel that they, and they alone, have the right to provide a national service.

Mr. JAMIESON: It seems to me, Mr. Chairman, this problem originates from the fact that here we are dealing very much in the prospective area. In other words, it is rather difficult at this stage, with no second network in being as yet, to anticipate Mr. Ouimet. I am quite sure that out of a very deep rooted conviction he is expressing concern but in reality until that operation is in fact, is in full swing as it were, it is almost impossible to say whether these fears are well grounded or not. Incidentally, for the same reason it is rather difficult for us as broadcasters to say specifically and emphatically whether the original B.B.G. contention is correct or the C.B.C. contention is correct, until such time as we have a chance to see how it actually works in practice.

Mr. LAMBERT: If you look at Mr. Ouimet's letter you will find on page 5 in the fifth paragraph, he states:

The corporation believes that even this one remaining problem may be worked out under the legislation in its present form through consultation between the B.B.G., the C.B.C. and the Caldwell network.



Mr. JAMIESON: This is conceivably an answer but it has been our experience it is always better to have areas of authority spelled out. In the event that matters come to an impasse under this kind of proposal where does one look for guidance? It is important to have reference in here to consultation with the individual stations making up the network because we could conceivably find ourselves squarely in the middle of something without a court of appeal.

Mr. ALLARD: Nor is there any reference to the fundamental interest of the listener and viewer, which I suggest is the key concern in this whole matter rather than the legitimate concerns of the private broadcasters and the C.B.C.

The CHAIRMAN: In effect, Mr. Jamieson, has not this been brought to a head by the football transaction?

Mr. JAMIESON: One could say this is the very real crux of the matter, but I anticipate there could be other problems of considerably greater importance, emphasizing Mr. Allard's reference to the viewers and to the public of Canada. It is conceivable there are things in this country that people regard as being more important than football, but there are occasions when I am inclined to doubt it.

Mr. MACDONNELL: That is a very interesting statement.

Mr. JAMIESON: But that is a fact and I think this is the area with which we ought to be most concerned so that programs of value could get the maximum possible distribution, and that they are not denied that distribution because of some technical limitation through which no one can cut because, to repeat myself, there is no court of appeal. What we would like to see is some clear-cut definition of where the ultimate responsibility lies and, as we contended in our original brief, there is some confusion at the moment.

Mr. McGRATH: Do you feel that the amendments as proposed originally by Dr. Stewart should be incorporated in the act?

Mr. JAMIESON: I have no authority to contend anything else; I am governed by what our association says. We are careful, when we make statements on behalf of our membership, that we are not quoting personal views. As far as I am concerned, the stand of C.A.B. was the one set out in our original submission. I must emphasize, however, that there may be good and sound reasons why the C.B.C. has changed its position or why the board has not supported what Dr. Stewart said originally. If we had that, our membership might take a different stand. However, at the present time, this is our official position.

Mr. MACDONNELL: How seriously do you take the suggestion of Mr. Ouimet that through consultation amongst the B.B.G., the C.B.C. and the affiliates, the matter might be worked out under the existing legislation?

Mr. JAMIESON: We have had a degree of success until now, in working out our problems, through consultation; but I cannot fail to emphasize that up to now there has not been this second network in existence and, therefore, I can only anticipate what the future position is likely to be, and I really do not know how this consultation would work out in the future. Certainly, in matters concerning these affiliates the C.B.C. and ourselves have been extremely successful, and the C.B.C. has been quite co-operative, to date.

The CHAIRMAN: Were there consultations along that line concerning football?

Mr. JAMIESON: Yes, and in that particular case we, as affiliates—and here I am merely reporting an affiliate's point of view; I have to be careful which hat I am wearing—of the C.B.C. supported the stand of the corporation with regard to the football situation. However, it was emphasized by the affiliates at that time that their support was confined exclusively to football, and that other matters ought to be considered on their individual merits as they arose.

The CHAIRMAN: Did you consider the public service in that light, then?

Mr. JAMIESON: Yes. I think this was our main consideration—the awareness of the fact that since the corporation itself, as a matter of policy, had decided that it was not going to make any agreement with the holders of the football rights, that the interests of the public would be served best by making a fast decision and getting some sort of alternate programming, therefore not allowing it to hang fire several months, which conceivably could have happened.

Mr. McGRATH: Might I make a suggestion: In view of the fact that Mr. Jamieson of the C.A.B. had not had a chance to study Mr. Ouimet's letter, perhaps we should postpone further questioning on it, because it raises some very important points here which I, for one—and I do not know about the other members—would like to get the opinion of C.A.B. on?

The CHAIRMAN: If that is agreeable to the committee, we could go on with other questions.

Mr. JAMIESON: I can only point out that it would be extremely difficult, Mr. McGrath, for us to give any cross-section of membership views within a short period of time. As you know we have over 200 members in every section of the country, and there is no forum in the immediate future to which this could be put.

Mr. McGRATH: I was thinking of yourself.

Mr. LAMBERT: Mr. McGrath, and I, as well, find ourselves in some difficulty because of the penultimate paragraph of Mr. Ouimet's letter. There is a statement there which I think Mr. Jamieson would find very interesting. It states that there is a conflict of either instructions or interpretation of attitude between members of the C.A.B. who are affiliated stations. It states here:

It may be of interest to the committee to know that the corporation has been supported by its network advisory committee in its stand against network splitting.

Mr. JAMIESON: I happen to be in the position of being chairman of this network advisory committee, and I think you can appreciate that there is some difficulty here.

Mr. LAMBERT: I am not asking for a comment now. I think this is one point at which the C.A.B., the network advisory committee, and so forth, would like to look.

Mr. JAMIESON: There is one point I would like to emphasize, and it is this: that in so far as existing conditions are concerned, or in so far as the immediate future is concerned, it is quite all right to say that the affiliates of the C.B.C. certainly do not want to see this network weakened by any failure to anticipate some of the problems which Mr. Ouimet and others have outlined. On that basis, certainly, we, as affiliates, have advised extreme caution in so far as the splitting of the network is concerned to the detriment of a national service as is provided by the C.B.C. I think the two questions get resolved quite easily by saying that the C.A.B. position as outlined in its original brief is based, if you like, on a principle and on a long-term projection of what could conceivably happen. The affiliate's position is based on something that is in being now and with which we have to live immediately, and I do not think the two are incompatible in that sense. I hope that, at least, gives you a partial answer to your question.

The CHAIRMAN: Are there any further questions on this? We will proceed, now.

Have you anything further to give to the committee?



Mr. JAMIESON: No, sir. I am here to answer any questions that you may have, to the best of my ability.

Mr. McGRATH: What is the opinion of the Canadian association of broadcasters, in your opinion as president, of the regulating of commercial rates?

Mr. JAMIESON: We have not discussed this matter in the immediate past, Mr. McGregor. I can only give you what has been the historic position. I would be inclined to think that C.A.B. would feel that the regulating of rates is not in itself a desirable thing, nor is it, in fact, a very workable thing.

I would like to ask Mr. Allard if there has been a policy study on that during any time in the past.

Mr. ALLARD: No, sir; there has been no official policy stated which, I think, stems from the fact that rates are very effectively regulated by economics, and will continue to be regulated by economics in the future.

Mr. McGRATH: That, Mr. Allard, is true to a certain extent. However, you are dealing with a corporation—a publicly owned corporation, whose prime concern is the provision of a service and not of economics. In other words, I am suggesting to you, sir, that the rates are not determined by their income, as would be the case of a private station.

Mr. JAMIESON: If I might answer, if you are referring to the corporation specifically, it is a matter for parliament to decide. Parliament is the final authority which determines how much money the corporation gets from the public treasury. Therefore, I would think in this area it would be up to parliament to say whether or not, under these circumstances, the corporation should have some sort of basis of fees or price-setting. I think it is parliament's responsibility to decide this.

Mr. McGRATH: I was thinking that we had heard a fair amount since the second television stations went on the air, and we have heard quite a bit about alleged rate-cutting and stations with grievances in this regard having no redress for their grievances, or no courts of appeal, if you like. This line of questioning has been put to the board of broadcast governors and, if I am not mistaken, to Mr. Ouimet, as well. However, the question in some of our minds is perhaps that there may be an anomaly here, in so far as some control of the industry is concerned. I am thinking of instance where, as I said before, stations did feel that they were victims of rate-cutting and, as a result, find themselves at a disadvantage because they have no court of appeal to which to go.

Mr. JAMIESON: Well, it is a matter of record that some of the second stations in these areas—and this is not a conjecture on my part; it is a fact—have encountered a situation wherein now, in a competitive area, the corporation rates have been reduced from what they were previously. This is a fact. I can only repeat the position that as to whether or not it is justified or not, or how far the corporation should be permitted, if you like, to go, or what authorization concerning the extent to which it can go, is something which should be defined by some group other than the C.A.B.

Mr. McGRATH: There has been very extensive questioning on this subject and very definite views expressed by people within the corporation.

Mr. JAMIESON: Well, it is a matter of record, too, Mr. McGrath, that some of these second station operators have contended that they base their anticipated revenues and their ability to compete upon a certain rate structure then in existence in the markets in which they were applying, and having done so they now contend, of course, that their predictions are being thrown out of kilter, as it were, because the rates on which they were basing—and that is the anticipated competitive rates—are no longer competitive. Again, as I say, it comes back to the point of how far the corporation either is prepared to go, or is



entitled to go in reducing these rates, presumably with the ultimate effect of obtaining larger contributions from parliament or from the public treasury.

Mr. MACDONNELL: Is there not an apparent contradiction between "anticipated competitive rates", your phrase, and "presumed rate structure"? Rate structure does not exactly accord with competitive rates, does it?

Mr. JAMIESON: Well, it certainly has not worked out that way. The point I was making was when each of these stations or successful applicants appeared before the board of broadcasting governors, they were asked to anticipate what their revenues were going to be, and, as a matter of record, they based these estimates on the rates then being charged in these markets and on the percentage of the rate that they felt they were going to be able to get. They have now come up against the position, rightly or wrongly, of finding that this rate card, or the existing rate at the time of their application, is no longer in existence, and has been reduced substantially, with the result that they presumably have to cut their rates, and therefore their revenue anticipations have been thrown out of plumb.

Mr. McGRATH: It is also true that in highly competitive areas, where industry is very competitive for the commercial advertising dollar, you now have the emergence of something which I think is of concern to people associated with broadcasting. I am thinking of the so-called rock'n'roll stations, if I can use that phrase,—that there is a suggestion that these rock-'n-roll stations are the creatures of a highly competitive business, and without proper cooperation within the industry, or without proper control. I say that by way of looking for information.

Mr. JAMIESON: In the first instance I would be opposed to any such definition as a rock-'n-roll station, or a top forty station, or even a good music station. I think these are generalities, which in themselves are dangerous. I think Mr. Allard's answer is the best one: that economic factors do tend to determine the rates which are charged. If a station is sensible, it puts into effect the rate which it knows it can get. It is a matter of the market itself determining and keeping things in competitive balance. I do not know if that answers your question.

Mr. McGRATH: It does. All I can say up to this point is that you are reaching a stage where the industry is becoming more and more competitive. And when you have second television stations—and it is conceivable that you will have three and four—I am thinking of the situation arising in Canada similar to that in the United States where they have a multiplicity of television channels and radio stations—as a result of this highly competitive situation you have deterioration in quality.

I think the short answer to whether or not this situation will develop in Canada will depend on the wisdom of the licensing policy. In other words, since the act requires that the service be varied and comprehensive there is responsibility placed on the broadcasters, which does alter the position in so far as straight competitive broadcasting is concerned. Whether or not we get into an undesirable situation because of unwise licensing policy with this multiplicity of stations, will depend very largely on the wisdom of the authorities who do the licensing.

The CHAIRMAN: May I ask one question about rates. In so far as we studied the budget and report of the C.B.C., we found that their revenue had been reduced over the past year, presumably because of the loss of commercial revenue to independent stations. Since they have cut their commercial rates in a number of highly competitive areas in Canada, would you think that possibly this loss of revenue is due to the cutting of their commercial rates rather than due to competition?

Mr. JAMIESON: That may be partially the answer. I am afraid I could not answer it without a pretty thorough examination of the corporation's financial structure. It is impossible even to speculate as to just why the revenue position is down. I can only say that in any figures which have been made available to date, this would apply to the time periods during which there was no second station competition for the most part. Most of these second stations have not been in operation for more than six months, so I would assume that the corporation's figures to date did not reflect the competitive situation.

The CHAIRMAN: The fact is that some stations said, without any equivocation, that the rates in their area have been cut by C.B.C. by as much as 42 per cent, I mean the local commercial rates. Now, the manager of one of these stations told me that he could not meet this competition and make a profit. In other words, his reaction was that his immediate competitor, the C.B.C. station in that area, had three times the staff, and he did not see how it was possible for them to cut their rates to that level and make any profit whatsoever. Have there been any reports to the C.A.B. from any of your member stations concerning this?

Mr. JAMIESON: Oh, unquestionably this is the worry of many private operators, because of course they are up against what is in effect subsidized competition, if you like. In other words, the corporation in the operation of individual stations is not necessarily obliged to run them on what may be described as a profit basis. Therefore, how far the corporation can go, or should go in cutting its rates is something which somebody in authority, perhaps, should be made to determine. But it is an extremely difficult position, and it could be made a completely hopeless one for competing stations, should the corporation decide to put in a completely uneconomic rate card merely for the sake of competing. In other words, if they were to give conscious competition, shall we say, and operate at a loss in order to meet the competition of independent stations, then there is very little that an independent station can do except to match it, and in the process perhaps lose money, or conceivably go out of business.

Mr. McGRATH: That is what I had in mind when I put forward my line of questioning. It was not the fact that the rates are based on what the market will bear, but rather on the whole situation of Canadian broadcasters where you have a large publicly owned broadcasting corporation in competition with privately owned broadcasting.

Mr. JAMIESON: This could be carried to the point where the corporation is operating in competition with second stations; it could be carried to the point where they would force the second station into a loss position, or conceivably force them out of business.

Mr. McGRATH: Exactly.

Mr. JAMIESON: If, for example, we wish to take a realistic example, let us say that \$50 was an appropriate rate for a particular market, but if the corporation—and I am not suggesting that they either do or would do it—but conceivably they could decide to sell it for \$10. If this happened, then of course the private station with no subsidy from the government, or support of any kind, would be in a very difficult spot; and I believe this is the contention of the private stations now, that they are faced with these possible reduced corporation rates.

Mr. McQUILLAN: Did not the previous committee recommend that the corporation should endeavour to obtain more revenue from commercial enterprises, and that anything they can get—I do not know how you are going to assess



the cost—but anything they can get is a contribution towards their revenue. Therefore, in a sense, by pursuing that policy, they are only pursuing a recommendation which the committee made.

Mr. JAMIESON: Again I can only say that the real answer to that question would have to be based on a study of the actual figures. But I would point out that it is not necessarily the case that simply getting more revenue is going to reduce the size of the amount that the corporation will be calling on parliament to contribute. If, for example, the rate is uneconomic to start with, and if you are losing money—say I have to spend \$150 in order to get \$100 worth of business,—then presumably if you get \$1,000 worth of the business you would lose that much more.

Mr. McQUILLAN: It does not necessarily apply to the C.B.C.

Mr. JAMIESON: There are lots of laws of economics which do not apply to the C.B.C.

Mr. McQUILLAN: I realize that; but the committee made this recommendation; and in order to do this advertising they must acquire more staff or more facilities, for which they must pay; then they are gaining in revenue, because they are already on the air, and their costs are already in there.

Mr. JAMIESON: That is quite correct. I think you would agree with me, however, that if the ultimate effect of this policy is, for example, first of all, to force the competitive private station into either a break-even position—in which case that station would not be paying any income tax—or to put it into a position where it is going to be forced out of business—what happens then?

Mr. McQUILLAN: There are lots of operations which are forced out of business.

Mr. JAMIESON: I was going to say that I have no objection to being forced out of business if it is by a competitor who is working with the same yardstick and by the same rules. But here they are playing the same game according to other rules and other yardsticks.

Mr. McGRATH: In my opinion what the committee recommended in 1959 was that the corporation should pursue a more vigorous sales policy; and my interpretation of a more vigorous sales policy is not a reduction of rates, because you would thereby be defeating the very thing you set out to achieve.

Mr. REGNIER: The reduction of rates would bring about the spreading of business around the region.

Mr. JAMIESON: Once again I have no knowledge of the basis on which the corporation sets up its rates; therefore I cannot say whether it is a correct estimate or not. This is something which only the corporation itself could answer. I thing the key to it, or perhaps the test of whether their policy is valid or not, is the question as to whether these rates are realistic. This is something the committee can pursue with the corporation.

Mr. RICHARD (Ottawa-East): Maybe they were realistic when they were first put in.

Mr. JAMIESON: It could be.

Mr. ALLARD: Most of these rate card cuts took place before the second stations got on the air.

Mr. JAMIESON: Well, at best it was done in anticipation of a reduced audience.

The CHAIRMAN: Are there any further questions along this line?



Mr. LAMBERT: If anybody else has a different subject, I am prepared to defer, because I have some questions on a different subject.

The CHAIRMAN: Will you please carry on.

Mr. LAMBERT: At the time of your previous appearance, the committee had not yet received the report of the committee on wired systems, and the discussion was deferred pending receipt by the committee of that report. I think the C.A.B. formed a part of that committee. You have now seen this report, and I was wondering if you had any comment to make, or if there had been any change in the circumstances since mid-February, when we were previously discussing it.

Mr. JAMIESON: We have seen the report, and we participated in consultations which led up to its presentation. Therefore in principle we are in agreement with the findings of that report. As I recall it, among other things, wired television is not something to worry about at the present time. It does not constitute a major threat, if you like, to television broadcasting in the generally accepted sense. Then to answer the second part of your question: there have been no new developments within the past two or three months which might prompt us to change our views or cause us to see the situation in any different light.

Mr. LAMBERT: I recall a short time ago seeing a press report which said there was going to be an extension in paid television. I do not know whether this was a promotional or a speculative report.

Mr. JAMIESON: That is quite true. I understand there has been an announcement that for two years of which I am aware, there are to be experiments with so-called pay television; and again this merely emphasizes the recommendation of that report, that this matter should be kept under careful and continual study.

The CHAIRMAN: Are there any further questions?

Mr. McGRATH: I should like to ask some questions on Mr. Ouimet's letter.

The CHAIRMAN: All right. Is it agreed we sit this afternoon at 2.30? There are some other members who have to be in this morning at other committee meetings and they wish us, if possible, to meet this afternoon at 2.30.

Mr. LAMBERT: Out of deference to them I think we should schedule a meeting for that time. In the interval Mr. Jamieson and Mr. Allard would have an opportunity of examining Mr. Ouimet's letter, and they could make some comments on it.

Mr. JAMIESON: I would be glad to do what I can but you will appreciate what I have to say will be, more or less, a personal opinion following upon consultation with Mr. Allard and any other broadcasters I can contact.

The CHAIRMAN: We shall meet this afternoon at 2.30 in room 356 (S).

#### AFTERNOON SITTING

TUESDAY, June, 20, 1961.

2.30 p.m.

The CHAIRMAN: Gentlemen, when we adjourned before lunch, we had a document from the C.B.C. which protested about the temporary decision given by the chairman of the B.B.G. that there would be amendment to section 13 (4)

(b) of the Broadcasting Act. However, we had a letter from the B.B.G. this morning, which I read into the minutes, and which stated that following a meeting of the full board of governors they had second thoughts about the amendment and decided to leave the section as it stands.

Mr. Jamieson has read the document submitted by the C.B.C. and would like to make some comments.

Mr. JAMIESON: Mr. Chairman, and members of the committee, as you can appreciate there was only time for a quite cursory examination of the presentation from Mr. Ouimet, and I can only give you what might be described as a snap reaction to it.

At the outset I should say that Mr. Ouimet is obviously concerned about the maintenance of a strong C.B.C. network, and this is an understandable concern, and one which I think is shared by the affiliates of the network. They share that concern for a number of reasons, the first of them being that the affiliates of the C.B.C. network are tied, as it were, to that network by the nature of their licences, and therefore the stronger the network the better off they are going to be.

Secondly, a strong C.B.C. network, in terms of present conditions, is certainly going to be beneficial to them from a dollars and cents standpoint. The third, and I think very valid consideration, is that the affiliates share the corporation's desire to make sure that the best possible service is provided to the maximum number of Canadians.

It seems to me this ought to be the overriding consideration in any deliberations on this question. It is a matter of service to the general public, so in reality then the corporation's view is certainly understandable and I do not think it is one—which again I have to emphasize—would be disputed on principle by any of the affiliate stations.

On the other hand, in reading over this document it has seemed to Mr. Allard and myself, though of course we only had an opportunity of studying it today, that perhaps the corporation in its understandable concern may be drawing the case too severely and may be creating possibilities that are not quite as serious as they appear to be in the document submitted by Mr. Ouimet.

Mr. HORNER (*Acadia*): To what document are you referring?

Mr. JAMIESON: This is a statement which Mr. Ouimet submitted to the committee and which was read this morning.

The CHAIRMAN: I believe copies were circulated.

Mr. FISHER: Are there any more of them available?

Mr. McGRATH: They were distributed this morning. There was a whole batch of them.

Mr. FISHER: We are not making excuses for not being here, but it would certainly help us had we copies of the document.

The CHAIRMAN: There are some here.

Mr. JAMIESON: The point I was making is that the existing circumstances in broadcasting are such that it would be desirable and, in fact, necessary under the present scheme of things absolutely to ensure the strength of network broadcasting. However, in reading through this document I have got the feeling the corporation is probably being a bit too concerned when a variety of matters are taken into account.

The first of these is so long as the corporation is providing a good service, so long as it is very cooperatively tied to affiliates and there is a good understanding between them, there is very little likelihood there will be any major rift or defection to another network, if only for the reasons I have outlined, but there are many more safeguards which are present both in the broadcasting act itself and in the contract between the affiliates and the corporation.



For example, in the contract itself there is this clause which has been agreed to by the corporation.

Programs considered by the corporation to be of public importance or interest, including sports events and special network presentations and spectaculars falling outside network option time are considered as specials and the station agrees to clear for such programs on request.

This is part of the existing contract and it would seem to me this in itself pretty well eliminates the fear of the corporation that, in fact, they will not be able to crack down upon their affiliates if they were in any way tied up with the so-called second network. I should add that it is the corporation which determines whether programs are of public importance and public interest. Under such heads the corporation has the right to require its affiliates to give time for them, no matter whether the programs take place during option time or not.

Apart from the contract, there is in the Broadcasting Act the necessary authorization to the B.B.G. which gives the board, under regulation 11 (1) (F) power to require licensees to broadcast network programs of public interest or significance. As I understand the corporation's view—

Mr. FISHER: May I ask a question at this point?

Mr. JAMIESON: I would welcome questioning as I go along, but if I may finish this sentence. Under the provisions I have just quoted the corporation has adequate protection to ensure that if it has anything of public interest or importance, including sport, there is very little if any danger it would be deprived of the use of an affiliated station in order to get exposure for the program concerned.

Mr. FISHER: I do not comment on the first proposal, which seems sensible, but it seems to me the B.B.G. would, of necessity, become closely involved in operations if a conception of national service merit is taken into consideration.

Mr. JAMIESON: I would think this would probably come more under the heading of policy than operations, though I do not disagree with your definition of the B.B.G. as getting involved in operations. However, I would think it is more a policy matter. The other point is in reference to section (f), which gives the board the right anyway to require licensees to broadcast network programs of public interest or significance. In reality they are involved, if you like, or could become involved in operational procedures under this clause.

Mr. FISHER: Let us take the football example. Suppose the B.B.G. goes ahead and decides the Big Four games must be distributed to Kenora, Guelph or wherever it is. It may be a policy decision that the televising of the sport is in the national interest, but it then has an immediate effect on C.B.C. operations and also upon private network operations.

Mr. JAMIESON: Undoubtedly this is true, but they have this authorization anyway under the clause I mentioned, and therefore the deletion of the clause in question really does not alter this in the last analysis.

Mr. FISHER: I thought when this was brought up that the B.B.G. had in mind it would apply more to private broadcasters than to the C.B.C.

Mr. JAMIESON: I cannot read what was in the minds of the people who drafted it.

Mr. LAMBERT: Surely one point seems to be forgotten, that at no time has the C.B.C. indicated it would force anything which would lead to a breach of the affiliation agreements? Perhaps I should not use the word "breach", but rather a defection from the affiliation agreements. That would be the case in the matter of football in that the C.B.C. has the affiliation agreements calling



for times during which the football would be shown or would be taking place, and it would have other programs for that time. There is no difficulty about that.

Mr. JAMIESON: I would agree with you. However, if I may go back, the affiliation agreement makes it very clear and, in my mind unmistakable, that if the corporation considers a program to be of public importance or interest, including sporting events and special network presentations and spectaculars falling outside network option time, then they are considered to be specials and the station concerned must agree to clear for such programs on request. In this arrangement there is no argument, as I see it and, for example, if the operation says the Grey Cup or any other event is of special interest or significance, then an affiliate has no option whatsoever but to clear for that program, regardless of what other commitments it may have.

The CHAIRMAN: But in this context the corporation can decide American baseball is more important than Canadian football, leading to a breach of clause 10?

Mr. JAMIESON: I do not know about the breach side of it, but certainly the decision of what is public interest and importance is in the hands of the corporation, and under the terms of the act it is in the hands of the B.B.G. If there was an argument between an affiliate and the corporation, presumably the B.B.G. would reign supreme, and this part of the act then becomes operative.

The CHAIRMAN: Are there any other questions?

Mr. MCGRATH: Mr. Jamieson, have you had a chance to study Mr. Ouimet's letter, particularly the second last paragraph?

Mr. JAMIESON: You mean the entire presentation?

Mr. MCGRATH: Yes, and the second last paragraph on page 6 wherein he says: "finally, it may be of interest to the committee . . ."

Mr. JAMIESON: Yes. I would have to confess that this is not a C.A.B. matter as such. It so happens the majority of the affiliates of the C.B.C. are also members of the C.A.B., but from my own personal knowledge I can say this is somewhat overdrawn. I think the corporation has interpreted, perhaps unintentionally, the views of its affiliates as being a blanket endorsement of non-network splitting arrangements. However, I wish to go back to what I said earlier today, that the principle of a strong network is one with which we cannot possibly disagree, but I think this has to be considered on an individual basis. In other words, we believe the corporation's stand on football was sound, when all the factors which prevailed at the time were taken into account, but it may not be as sound in some other circumstances. In so far as a blanket endorsement of the C.B.C.'s stand against network splitting is concerned, there is more to it than that. I think that is a fair interpretation of the attitude of the affiliates at the present time.

Mr. FISHER: It is the concern of some people, Mr. Jamieson, that perhaps the arrangement between the C.B.C. and its affiliates is too remunerative for the affiliates, and that in effect we have a form of subsidization of private organizations. Has that been a subject of discussion or report on the part of the C.A.B.?

Mr. JAMIESON: It is not a matter of express concern to the C.A.B. as such. Again, it is a matter for the affiliates in their relations with the corporation. Certainly I would not agree that the remunerative basis is exorbitant or unreasonable. In the first place, it has got to be remembered that most of the network programs which are shown are shown at so-called prime time. In other words, the bulk of the revenues which the stations get as network affiliates comes from evening hours and prime time. In the case of most stations this is far and away the least difficult to sell so that in the case of those

stations which may be getting a reasonable revenue, they could get substantially more revenue if they were, in fact, given this time off, as it were, on an option basis.

In the case of the smaller stations, particularly the so-called supplementaries which can be eliminated or left off, the revenue—and I use the word advisedly—is pathetically small in a great many instances.

I happen to operate a supplementary station, and can vouch for this fact. We operate all day Sunday, for instance, on a total network income representing some eight or nine hours of operation for a total income in the neighbourhood of \$45 in this particular case. And there are other stations that, in fact, can go a whole day without a single cent from the network.

Mr. FISHER: If I may ask you another general question, I always have suspected—and I think the word suspected is the correct word—the C.A.B. as an organization.

Mr. JAMIESON: Well, it has been bandied about a great deal in the last couple of days.

Mr. FISHER: And that it is an organization that has been concerned with keeping down or restricting the role of the C.B.C. in providing a national service. I am not going to ask you to comment on that, but I suppose the C.A.B. has played this kind of role. It naturally makes those of us who take this interpretation wonder whether the C.A.B. is going to wind up as, in a sense, an arm supporting the private network.

Mr. JAMIESON: Well, taking the various sections of your statement one by one, there never has been, to my knowledge—and I have been active in the organization for more than a decade—any policy or anything of this sort in regard to the C.B.C. Indeed, in terms of its presentation to this committee, we are being criticized by some members for our failure to comment upon the operations of the corporation. We did not feel this was our province. Now, it is a question whether we really ought to say anything in this connection, but members ask questions, and we are required to provide answers. But, certainly, the C.A.B. is not in existence, in any way, shape or form, as the combatant, or as an opponent of the C.B.C. In so far as our support for the second network is concerned, we will welcome into membership the network as an organization. We will work in their interests as we will continue to work in the interests of all broadcasters.

Mr. FISHER: In this regard is it possible for the C.B.C., under your constitution, to be a member?

Mr. JAMIESON: Any time the government wants to sell it and any time any body wants to buy it, it is a private corporation.

Mr. FISHER: But they could not belong to the Canadian association of broadcasters?

Mr. JAMIESON: Not now. I think I should emphasize that there has been, particularly in recent years, a high level of co-operation and consultation, and I do not feel there is any great difference in our basic objectives. I think we are both interested in bringing a good broadcasting service, and I do not think the two are incompatible.

Mr. FISHER: Has the C.A.B. taken into consideration or discussed at any of its executive meetings or conventions the best means by which this private network can be developed without inhibiting or harming the national service provided by the C.B.C.?

Mr. JAMIESON: We have discussed it in these terms. We have discussed and are in the process of implementing many ideas that will make Canadian programs available through an exchange basis, which would tend to implement the general intent of the Broadcasting Act.



As far as the C.B.C. is concerned, I made a comment this morning that it is a national service rather than the national service, in law, and if we could develop an alternate service in helping to build the second network I think it would be good for Canadians and for Canadian viewers.

Mr. FISHER: And there is no feeling within the C.A.B. that this could or would be done at the expense of what the C.B.C. now has and now offers?

Mr. JAMIESON: I think this is one of the unfortunate developments of broadcasting in Canada, in that it has tended to be C.B.C. and private stations. I do not think this is really a correct interpretation at all. We are concerned with good broadcasting. You have asked about the association between C.A.B. and the C.B.C. I might say that at all of our conventions and meetings of various kinds C.B.C. personnel are welcomed and, in fact, participate in the discussions. The only meetings which are held in private are pure business meetings in which we discuss financial affairs and things of that nature. I see no conflict here. I do not think one has to operate at the expense of the other, and I think this is a fundamental mistake which perhaps, in his wisdom, Mr. Ouimet may be overdrawing.

Mr. FISHER: There was a long tradition of the C.A.B. lobbying. However, they did it out in the open, and before this committee. They have taken strenuous objections over the years to the role played by the C.B.C., particularly in its regulatory capacity. Do you not agree with that?

Mr. JAMIESON: Yes, but expressly in connection with the C.B.C. as a regulatory competitor.

Mr. FISHER: Now we have a new regulatory body, the B.B.G. Is one of the reasons for improved relationship with the C.B.C. because of this new set-up?

Mr. JAMIESON: I would think so. I do not think there is any doubt about the fact there is an entirely different atmosphere. There is considerably more trust. We do not have to be suspicious of every act that is done on the basis of whether or not it is designed to affect private broadcasting. We both go, as it were, to the same court of appeal, if needed, and this undoubtedly has been a major contributor.

Mr. FISHER: In this regard, what are the C.A.B. views on its position with the C.B.C.? I am delighted that you do not have to lobby in parliamentary committees any more, in so far as your opinions of the C.B.C. as a regulatory power are concerned.

Mr. JAMIESON: We are not unhappy about that ourselves.

Mr. FISHER: How are you finding your relationships with the B.B.G.? I noticed that when the radio regulations were up your stand was as critical of the B.B.G. and its intent as it ever was of the C.B.C.

Mr. JAMIESON: Only in part. I think our relations with the B.B.G. are good. They have given us sufficient recognition to call us in advance. We have a consultative committee on private broadcasting, and the B.B.G. rarely acts on any piece of legislation of major importance without giving us some indication and an opportunity to comment on it.

In so far as our statements of opposition are concerned, we will, of course, continue to oppose those things that we do not feel are in the interests of good broadcasting. You know, it is not inconceivable that the B.B.G. can be wrong sometimes in its conclusions, regulations and so forth.

Mr. FISHER: Now, I want to get away from this letter to another type of thing which has been brought up through this line of questioning. However, I do not want to get in the way of another member asking a question on this.

Mr. PICKERSGILL: Mr. Chairman, I had one or two questions in connection with the relationship between the C.B.C. and the C.A.B.



I would put this hypothesis to Mr. Jamieson for his comment.

Is it not perhaps true that from the time that the television stations were started, there was a change—and a very marked one—in the relationship between the private broadcasters and the C.B.C., as against the old competitive relationship which there had been, to some degree certainly, in the radio broadcasting field. Because of the very geographical pattern, television broadcasting was superseded by a different arrangement whereby the national system was made up of private stations and the C.B.C.

Mr. JAMIESON: Yes. I would think it would be rather difficult to pin it down precisely. It so happens that the two things came about almost simultaneously, the development of television and the introduction of the B.B.G. system.

Mr. PICKERSGILL: There must have been two years' difference.

Mr. JAMIESON: Yes, but the two have grown up together, and it is a fact—and an interesting observation, incidentally—that where private broadcasters in television have been given a major role and responsibility in a substantial number of cases, I think it is fair to say they have lived up to that responsibility in television to a very marked degree, because they recognize this was, in fact, the only means through which this could be done—and I think it is, too—and the fact we have been affiliates of the C.B.C. has helped to develop this cooperative attitude.

Mr. PICKERSGILL: There was one other question I wanted to put. Do you, Mr. Jamieson, envisage a kind of difference of interest—a serious difference of interest growing up between these television stations—and I am thinking more particularly of that, because it is much more quasi-monopolistic than radio is—which are affiliates of the C.B.C. and the other television stations?

Mr. JAMIESON: Are you speaking purely in commercial terms?

Mr. PICKERSGILL: Well, yes.

Mr. JAMIESON: Undoubtedly, the two are going to be competitive, but I do not think there need be any serious conflict. I have a comment which I would like to make in connection with this presentation: that under the proposal here of Mr. Ouimet—the deletion of this clause would, amongst other things, mean, as I envisage it, that the operator of the second network under the existing wording in this act could, in fact, as I interpret it, in any event, actually block the distribution of important programs on the second network. In other words, if the network operator, I suppose, wishes to retain that, he could say to the affiliates: You can, or cannot, carry a certain program. Then, under this wording, the second network operator retains the same right. And I can see the possibility that there may be a program of great national importance and interest, and unless the B.B.G. wish to impose this particular section of the act, then the network operator in the second network would be able to exercise his right and say: No, you as an affiliate of mine cannot take this program.

Mr. PICKERSGILL: Does that not really mean that there has to be this supervision and this appellate jurisdiction of the B.B.G., and that it is absolutely essential to smooth functioning as long as there are two networks?

Mr. JAMIESON: We hold the view—and this is true of the C.A.B. and the affiliates—as a separate group, that what we want is some clear-cut indication of where the responsibility lies. This is the main point. If it becomes a matter of three or four different groups, each having authority to the point where we fall between two stools all the time, this will result in a potentially hazardous situation.

Mr. LAMBERT: You are not forgetting your contractual obligations, which come first, are you? Surely no one will suggest that anybody can come in and say, notwithstanding your contractual obligations, that this is what you are going to do. If that is the case, then you have a broadcasting czar.

Mr. JAMIESON: I agree with you, except I was going to say this. I think there needs to be interpretation—at least, this is my view, in any event, that the contract is secondary to this particular clause of the act under which the board can require licensees to broadcast network programs of public interest or significance. It would seem to me this would supersede the contract. I don't know.

Mr. McGRATH: In that regard it is interesting to note, in Mr. Ouimet's letter, that he does not take into account, at the top of page 6, where he says:

The suggested legislation could force the corporation into a position where it would have to compete with another network for the time of its own affiliates.

That certainly is not taking into account the specific affiliation agreement, because what we are, in fact, talking about is time that is not committed in the affiliation agreement.

Mr. JAMIESON: Yes. This is the way I read it. However, I am sure that the question of which comes first, the legislation or the contract, is not something on which anybody at the moment would care to comment.

Mr. PICKERSGILL: I would. I would not hesitate one minute to say that the sovereign authority of parliament is above any contract. Any contract that is made between the C.B.C. and its affiliates is made subject to the terms of the Broadcasting Act, which parliament laid down, and if you make a contract with the C.B.C. contrary to the Broadcasting Act, surely the Broadcasting Act prevails?

Mr. LAMBERT: Are you saying that if he says, in his view, that this is of national importance, and you will carry it, that you will have to? I do not care what agreements you have. He could get down to considering a game of tiddley-winks, and think that would be of national interest.

Mr. PICKERSGILL: Then you fire Dr. Stewart.

Mr. LAMBERT: No, you fire the thinking that is behind such an interpretation.

Mr. ALLARD: Under the existing wording of section 13 of the act, this power has been taken out of the hands of parliament by parliament and out of the hands of the B.B.G., and put into the hands of the network, and whether that network is a corporation or a privately owned network, because it says no such permission shall be granted without the consent of the operator of such network, be it a privately owned network or the corporation network. This is a point we were trying to make in our original presentation, and which we are trying to make today. We agree with Mr. Pickersgill that this power should be in the hands of parliament or any other delegated authority of parliament such as the B.B.G., and that this cannot be achieved unless that section is removed.

Mr. PICKERSGILL: Or, amended.

Mr. ALLARD: Yes.

Mr. JAMIESON: I think the emphasis here has to be on the fact that nobody wishes—I am an affiliate of the corporation's network—to reduce the effectiveness of television services in this country. We feel, having studied this, that all the necessary safeguards are here already, and that this particular clause



to which we have been referring is really unnecessary in the light of the contract and in the light of the additional powers given to the B.B.G. in the event of something of real national importance or interest.

Mr. LAMBERT: I would like to make a suggestion, without pointing to the line of conduct of the network operator, that he can so observe his affiliation agreement that there is absolutely no leeway.

Mr. JAMIESON: Yes. If he can make a deal with the affiliate, there is no reason why he should not be able to do so. However, in the final analysis, this contract must get B.B.G. approval.

Mr. ALLARD: This, I think, is the whole point. In this particular connection, parliament has taken the action of placing a very important board, not in the hands of parliament or in the hands of the broadcast governors, but in the hands of a network, however constituted.

Mr. LAMBERT: Subject to what you have just said, that the affiliation agreement is always subject to the authority of the B.B.G.—

Mr. ALLARD: It is also subject to the conditions of the Broadcasting Act, and the act specifically says that certain things cannot be done without the consent of the operator of the other network. In this particular case, parliament has closed itself out and the B.B.G. out, in favour of a statutory provision in favour of the operator of a network.

Mr. LAMBERT: I would disagree in that. If the B.B.G. figures the affiliation agreement closes it out, it must approve it, or you have not one.

Mr. ALLARD: An affiliation agreement is certainly made within the terms of the Broadcasting Act. Even the B.B.G. cannot set itself above a statute of this parliament.

Mr. JAMIESON: I think the important fact here, for all practical purposes, is to make sure—at least that is my feeling—in terms of a situation which has not even arisen as yet—we are all speculating as to what could develop—that something is not left in here which, in two, three or four years' time, could cause real problems, because we are now talking of the only network operator at the moment, which happens to be the corporation. But within a matter of six months to a year there will be a second network operator, and the provisions of this will apply to him equally as they will to the corporation. This is where I see the potential hazard of this wording.

Mr. PICKERSGILL: And it really is probable that that situation was not thoroughly taken into account by the draftsmen—

Mr. JAMIESON: Yes, I am quite sure.

Mr. PICKERSGILL: —when the Broadcasting Act was drafted.

Mr. JAMIESON: This was written at a time when there was only a single network operator—and that was the corporation. In other words, this is written to cover a set of circumstances which were entirely different from those today, which is now being applied or could be applied.

The CHAIRMAN: Have you a question, Mr. McGrath?

Mr. MCGRATH: My question has been answered.

Mr. FISHER: I would like to embark on a new subject.

Mr. MCGRATH: Well, before we close the subject of this letter, I would like to ask if Mr. Jamieson has finished his statement.

Mr. JAMIESON: Yes, except to say that in closing I want to make it abundantly clear to this committee that we can certainly understand the corporation's concern, and that we have no thought either as affiliates or as the C.A.B. of reducing the effectiveness of broadcasting services; but that we are looking



ahead and that the wisest course is to rely upon the safeguards that are here already in the contract and in this particular section of the act, and that the other one could be very confusing.

Mr. McGRATH: I have one question: On the basis of your experience as an affiliate and in working with the affiliates in the association, do you feel that the stand of the corporation on this, as expressed in Mr. Ouimet's letter—and this may or may not be hypothetical—and also the fact that if the act is not amended to make provision for the coming into operation of the second network that this will, in fact, have a very detrimental effect on the relationship between the corporation and the affiliates, and that they will feel that they are being circumscribed?

Mr. JAMIESON: Yes, I would think that, up to a point, is a fair assumption. I must emphasize that the most cordial relations exist between the corporation and its affiliates at the present time, and I think there has been altogether too much concern in his regard. It is like the fellow going to borrow the neighbour's lawnmower and conjures up in his own mind before he gets to the neighbour's house that he is not going to lend it to him, so he punches him in the face when he opens the door.

Mr. McGRATH: But we are faced with the fact that there is a second network. Approval has been given to it. However, there seems to be an anomaly in the act in providing for the second network. Is that a correct interpretation of what we are driving at?

Mr. JAMIESON: Yes, I would think so. It seems to me, as I have said on several different occasions, that there has been a period of operation here, and until we see exactly what is going to develop, it is rather hard to anticipate.

Mr. FISHER: Do you not think that Mr. Bassett being in and around in all directions is an explanation, really, for the C.B.C. stand? Perhaps he has gone too far. When I look at what Mr. Bassett and his newspaper are saying, it seems to me the C.B.C. perhaps has every right to push.

Mr. JAMIESON: We are not concerned with any individual station, in so far as this legislation is concerned. We are talking about networks.

Mr. FISHER: Mr. Bassett is not speaking for the C.A.B., is he, or vice versa?

Mr. JAMIESON: He is not a member of C.A.B., and I do not come here to speak for John—is that the correct expression?

Mr. PICKERSGILL: I think you are very wise. Mr. Chairman, this is a very different line of questioning in relation to second television stations which have been established in a number of places, and indeed has to do with the case of some of the marginal stations in smaller places. The notion which seemed to prevail as recently as two or three years ago was that a television licence was about the equivalent of a gold mine in the 1930's, when the price of gold was good, but now that does not seem to be borne out by the facts. I should like to ask Mr. Jamieson whether the C.A.B. does feel the granting of licences has perhaps gone as far as it should go, and in places has gone further than the economic circumstances warrant? What is his own view, or the views of the C.A.B. on that very important question?

Mr. JAMIESON: So far as the C.A.B. is concerned the only official action anyone has taken in this regard is that a couple of years ago we authorized an economic study of broadcasting in this country and copies of its findings, if they have not been made available to members of the committee, could be made available. Incidentally, there is a need for a study of the economics of

broadcasting in order to determine the point beyond which there is a danger of reducing the level of service. In other words, the basic law of competition does not apply to broadcasting to the same extent.

We have made representations to the B.B.G. and suggested to them that some effort be made to determine the economic yardstick which could be made in considering new applicants in the area.

That is the C.A.B.'s position, and as a separate operator myself I can tell you that this so-called licence to print money, as somebody described the licence, is certainly a gross exaggeration. At the present time a great many stations in this country, and particularly those in marginal and fringe markets, are having an extremely difficult time. Costs are going up substantially and in fact revenues are decreasing. As more stations are coming into operation in the larger centres, local advertisers are finding it necessary to buy time on them. The results of this are that many of the supplementary stations and some of the marginal basic stations are not in what I would call serious difficulty but certainly are in a position where there is cause for concern about their ability to stay afloat. Therefore, I agree there is certainly a good basis for suggesting that a very clearcut study ought to be made before any random issuing of licences is undertaken.

Mr. PICKERSGILL: There is a specific case on which I should like to question Mr. Jamieson. I do not want to embarrass him as between one of the members of the C.A.B. and another, and I do not want to press him, but perhaps he would comment about the Swift Current-Saskatoon situation.

Mr. JAMIESON: I am aware of the background.

Mr. PICKERSGILL: There were some of us who had a feeling—and I do not put it beyond that—that the question of the survival of the Swift Current station might very well be an issue there.

Mr. JAMIESON: Yes.

Mr. PICKERSGILL: I think the board took the view that most of the people in the area would rather be served by Saskatoon. I think that is the impression Mr. Allison gave us, but I think some of us did feel that if that was going to endanger coverage in the Swift Current area, it was not a good thing. This would suggest to my mind that we have gone as far as we should go for awhile in the expansion of television in this country, because I do not think we want to have a repetition of the railway situation in the first decade and a half of the century.

Mr. FISHER: On that point, I was going to question Mr. Jamieson on something which has always bothered me. Whenever anyone applies for a new licence for a radio or television station there is always opposition by someone at present in the field. I think Mr. Pickersgill has brought this up from a different point of view, but I should like to ask what is the stand of the C.A.B. from the point of view of freedom to enter the industry, if there are channels available either in radio or television? Is there any reason why legislation or regulation should protect the people who are already there against anyone coming into the field?

Mr. JAMIESON: I think there are about 10 different questions involved here, taking Mr. Fisher's and Mr. Pickersgill's together, and I shall attempt to sum up my reaction. First of all, I think you must concede, and I am prepared to concede it, that one of the real problems where government and parliament enter into broadcasting, or any other field, concerns how much free enterprise, if you like to put it that way, or how much competitive play can be permitted, if the basic aim is to serve the public, and where the successful applicant is obliged to undertake certain commitments.



I made the comment this morning that I am quite prepared to go out of business in competition with someone playing by the same set of rules, provided I am free to manoeuvre in any possible situation that may develop, but a broadcaster has to undertake certain commitments and certain responsibilities if he is to be used as an instrument of natural purpose. This, I suggest, is the only yardstick the B.B.G. can use when it comes to examining whether another licence in an area is justified. It is a question of whether the new entrant will tend to deplete the service and, following the shortage of dollars, will reduce the revenues of the existing station thus tending to lower the calibre of their services.

Mr. FISHER: I am thinking of the Lakehead situation where, despite all the protests, we got a third station and for the first time, we began to get some service from all the stations.

Mr. JAMIESON: Undoubtedly there are occasions when this will take place.

Mr. McGRATH: It is the essence of private enterprise system, Mr. Fisher.

Mr. FISHER: I think so long as we are going to put up with private broadcasting, then we should also be prepared to allow people into the field wherever there is a channel available, if this is at all possible.

Mr. JAMIESON: No, Mr. Fisher. I can, of course, spend the whole afternoon on those four words with which I completely disagree—"put up with private broadcasting"—as though it were some sort of leech on the body politic.

Mr. FISHER: You must remember I have my views.

Mr. JAMIESON: I think this is a case of dangerous generalization. There are 160 odd stations throughout the country, and you are judging private broadcasting on the basis of a relatively limited exposure to it.

Mr. FISHER: Yes, certainly.

Mr. JAMIESON: Let us not get into that field. I come back to the point I made earlier that parliament gives the B.B.G. the responsibility to determine the yardstick which is used.

I should like to add I do feel perhaps the time has come for someone to look at the whole of Canada and determine upon an orderly process of development. At the present time the B.B.G. can only sit around until someone applies for a licence, and maybe two people will apply together. Here, Mr. Pickersgill, I should like to answer your question in a general way. I suspect the problem with many stations at the present time, goes back to the licensing policy originally, and this is not a criticism of the licensing policy. It is merely a fact that there has not been an orderly type of development, and conceivably some areas which have stations at the present time might be better suited to the re-transmission or satellite type of operation. That is part of the difficulty.

Mr. LAMBERT: Who would play God?

Mr. JAMIESON: I do not suggest there is any necessity to play God. The B.B.G. should have in its own mind what is essential in terms of the development of the system nationally.

Mr. LAMBERT: First of all, it must be remembered that the B.B.G. did not come into operation until there were a large number of licences in existence.

Mr. JAMIESON: I suggested the problem goes back many years before the B.B.G.

Mr. LAMBERT: This has brought about a situation where anyone who has a licence is regarded as an efficient operator, but that is not correct.

Mr. JAMIESON: I would agree with you.

Mr. LAMBERT: There are varying degrees. Then there is a danger that once you have a licence for something which you have cared for and nurtured, other people will come along with applications to get into that field and you will



suffer the same fate as the corner store or service station operator. Because he has been an efficient operator someone else will replace him. I have heard that mentioned several times in my own locality where people say: "why should we put on efficient operations in broadcasting when X, Y and D are inefficient operators"?

Mr. JAMIESON: The human factor is going to enter into this, and in the last analysis it must be left to the B.B.G. They are the people who should establish an orderly pattern of development.

Mr. FISHER: I note the presentation you have made to the B.B.G., and there is a quotation I have here from the *Montreal Gazette* regarding the appearance of the C.A.B. before the board of broadcast governors on the new radio regulations. It seems to me once you accept the fact there is a limitation and that perhaps a ceiling has been reached, you must sustain the market economic potential. Someone has to judge the standards of the service that the station in a certain area is providing.

Mr. JAMIESON: I quite agree with that.

Mr. FISHER: As Mr. Lambert says, who is going to play God? Are you people from the C.A.B. going to play God, or is it the B.B.G.?

Mr. JAMIESON: In many respects I would suggest there is a bit of the deity about the B.B.G.

Mr. FISHER: Is there an acceptance on the part of the C.A.B. of this role for the B.B.G., which they never seem to accept for the C.B.C.?

Mr. JAMIESON: Yes, I mentioned earlier we have had the closest possible consultation with the B.B.G. They do not always agree with our views and certainly we are sufficiently human ourselves not to expect them to but, by and large, inasmuch as any tribunal of human beings can assess the level of service, I think the B.B.G. can do so. I think we are forced to admit there are bad stations in the country, and I do not think we would defend an obvious breach of anything of that kind.

Mr. FISHER: Is the role of the B.B.G. which you have in mind to be played by exhortations, such as Doctor Stewart has given by talks about the offensiveness of certain kinds of commercials, or is it to be undertaken by the finger coming down on the bad station and saying "look, improve your service."

Mr. JAMIESON: This is theory, if you like, but personally I believe regulation can only ensure service does not go below a certain point. As you know, it is negative. It says "thou shalt not," constantly. Most emphatically I believe in exhortations, both from Doctor Stewart and myself as president of the association, in order to get the most out of people. I do not think you do this only by regulation. A combination of both is necessary.

Mr. FISHER: Is it worthwhile having the complaints of those people who write me about private broadcasting stations and their performances sent direct to the C.A.B.? At present I send them to the B.B.G. and this has worked on two occasions, in that the B.B.G. has taken some action. Are you suggesting you would be in a position to act on them?

Mr. JAMIESON: We have recently promulgated and established a code of ethics which is very comprehensive, and which was created after two solid years of work, and we have a body in control of that, made up of, for want of a better word, of elderly statesmen, those who are long-term members of the industry. We would welcome indications that this code of ethics is being broken by a station, and through this governing committee we would go to work on complaints received.

Mr. ALLARD: On that point, I should say the C.A.B. as such does get a number of listener complaints. We welcome these and we do what we can

about them, and if Mr. Fisher wishes to increase the volume of our mail we would have no objection to assisting the post office in this direction. We should also like to hear from people—and there are a great number of them—who are satisfied with what they are getting. Generally people have a tendency to take the time and trouble to write when they are ill pleased but not otherwise. However, we do know a great many of them are pleased and we would appreciate hearing from them. I might add briefly, for the record, that the quotation which Mr. Fisher used is not an accurate report of what C.A.B. said on that occasion.

Mr. FISHER: I only found it fairly recently. I have one last question in that regard. I have considered sending copies of your statement on ethics to, for example, teacher federation groups and home and school associations in my constituency. Do you think I should go further and attach a memorandum saying they should place their complaints or suggestions for general improvement of services with the C.A.B.?

Mr. ALLARD: We have already anticipated you, Mr. Fisher, as distribution of this has already been made by us. We shall certainly welcome not only their complaints but their expressions of satisfaction with the things which we are, in fact, doing well.

Mr. HORNER (*Acadia*): My questions have to deal with the projected orderly pattern of development which Mr. Jamieson thinks should be undertaken. Do you not think the B.B.G. is keeping this very thing in mind, and is even encouraging development where it thinks further coverage is needed?

Mr. JAMIESON: I would agree a considerable amount has been done. My feeling is that it is now the more remote regions which are affected. There is need to look at what is left to be done.

Mr. HORNER (*Acadia*): I can agree with that, but I gathered from your earlier statement you wanted them to look not only at the areas which are not now served but the areas which are served.

Mr. JAMIESON: No sir. In that particular case, so far as the existing situation is concerned, there is very little any authority can do about it. If anything is going to be done it will be done through force of economics. It is merely to ensure that the fringe areas of the country are entitled to service, and that it will be provided for them in an orderly manner.

Mr. HORNER (*Acadia*): I can well agree with that. I think, much as I may have disagreed with the B.B.G. in some of their decisions lately, they are bearing this in mind and have been encouraging further coverage where it is required.

Mr. JAMIESON: I myself am under a commitment to the B.B.G. to provide service to another rural area, when facilities are adequate to ensure it can be done. Mr. Pickersgill, in this regard, I am referring to the Burin peninsula.

Mr. HORNER (*Acadia*): Do you not think the C.B.C. is continuously making studies regarding the further development of its own stations? There is evidence of this, and apparently they decided they needed to build a station in Edmonton. This emerged from their own studies of further development. They would also like to have a station in Quebec, so therefore I take it there are studies going on with regard to an orderly pattern of development.

Mr. JAMIESON: That is correct.

Mr. HORNER (*Acadia*): I have been thinking about a financial study from the economic point of view. The B.B.G. have admitted to the committee that they always bear in mind the financial operations of any station which is



granted a licence, and they consider it their responsibility to ensure conditions which are suitable so that a private station, or an affiliate, can stay afloat if it is reasonably well managed.

Mr. JAMIESON: That is right but the point I am making is that the C.B.C. and a private company may be planning to build a new station in the same area and they do not come together until they appear before the B.B.G. I believe they should get together in consultation before that, and that is what I had in mind when I suggested there is need to take a more detailed look at how services are going to be expanded. However, I would agree that a great deal of this is going on already.

Mr. HORNER (*Acadia*): Particularly on the part of the B.B.G.?

Mr. JAMIESON: And also by a great majority of the stations. In my own case I could say we have spent the last three years on various projects.

Mr. SIMPSON: With regard to this policy you mentioned about an affiliate of the C.B.C. wishing to make application to go into a new area, but should advise the C.B.C. first, is that relatively new? Has that long been the practice?

Mr. JAMIESON: My first indication of that came from Mr. Ouimet about six or eight months ago, and had to do primarily with the extension of coverage. I am not sure the same yardstick would prevail now in terms of a major market.

Mr. SIMPSON: Extension of coverage?

Mr. JAMIESON: Through additional re-transmission facilities, and the like.

Mr. FISHER: On this matter that Mr. Horner brought up, can you see the private network always being distinct from the national network in national service terms, in that the onus upon the C.B.C. is to reach everyone, whereas the onus on the private network is to have a commercial operation which is successful?

Mr. JAMIESON: I certainly am not a clairvoyant, and I do not know what the future holds for broadcasting. Many of the things that were impossible ten years ago are taken for granted today. However, I would say that there will continue to be a special responsibility on the corporation just so long as it is getting whatever amount it is getting from parliament. I think that would be a fair assumption.

Mr. FISHER: The point is, can we hold the private network to a similar responsibility?

Mr. JAMIESON: If you want to give them \$70 million or \$80 million.

Mr. FISHER: So there is a sharply different basis for this?

Mr. JAMIESON: As long as we are operating within the existing framework as laid down by the Broadcasting Act and related documents. It may be a whole new pattern—a more efficient and less costly one—could be devised.

Mr. HORNER (*Acadia*): In that case, does not the B.B.G. hold the private network to a certain amount of regulation with regard to Canadian content, and although they do not force them to guarantee the greatest coverage where coverage is not wise commercially, still they do hold them to Canadian content and other regulations, and it has a certain amount of control on what comes out of their stations.

Mr. JAMIESON: You are right. In terms of what the B.B.G. imposes, by way of regulations, these regulations are precisely the same for one network as for another; the only difference lies in these words, which have come into quite common usage—the C.B.C.'s mandate from parliament. This is an entirely different kettle of fish.

The CHAIRMAN: A blank cheque, you mean?



Mr. FISHER: What discussions have taken place on the part of C.A.B. members in connection with the Canadian content rule, or did you speak on that this morning?

Mr. JAMIESON: No, but I would be very glad to give you a comment on it at this time. Is there something specific you wanted to know?

Mr. FISHER: I know that all the stations are going to work within that framework, but have you any criticisms of it, or are you prepared to suggest any changes in it other than those you made at the hearing?

Mr. McGRATH: Mr. Chairman, I have a related question before Mr. Jamieson answers.

Will the second network be helpful to stations in fulfilling their Canadian content?

Mr. JAMIESON: If you mean affiliate stations of the C.B.C.—and we are back, at least in part, to consideration of the original item which comes up today—presumably the new network will be, at the outset, creating ten hours of programming, which will mean five and one-half hours of Canadian content. This programming, at the present time, in any event, will be available to, or will be utilized on the stations of the second network. I would think this, in itself, would be unfortunate, if these programs are good Canadian shows, if the distribution was to end there; and whether it be by microwave or by video tape and the like, I think if these shows were good, it would be a fine thing if existing stations on the C.B.C. network could make use of them.

In answer to your general question, my view has not changed since the first day this was advanced. I am quite prepared to agree that a good Canadian content is a desirable thing for broadcasting. Again, though, I go back to what I said, that I do not think you can legislate quality, and I think the key of this whole problem is the matter of how good the content is going to be—and this is where ingenuity, creativity and imagination is going to come into it. In other words, I think you can get, in many areas, 55 per cent Canadian content. However, that is something which is in the future, and cannot be anticipated now.

Mr. FISHER: From a commercial point of view, is the 55 per cent Canadian content, in the view of the C.A.B., perhaps a restricting thing or even a destructive thing?

Mr. JAMIESON: No, not necessarily. I think it would be good, although it would be impossible if advertisers were required to support this kind of effort. I think it would be fine if you could legislate the general public to say you should look at it. However, these things are beyond our control, and so whether it is destructive or not is going to depend on the public of this country, in large measure—and this fact is largely overlooked. It is like taking a horse to water; you cannot make the people view it if they won't look, and therefore there is not this attraction to advertisers. It could be harmful in the future. However, beyond that, I cannot forecast. I might say that a number of ingenious and very good programs have been devised by stations. I have just returned from a cross-country tour. Some of these programs are still in the formative stages, but the stations are trying and, in many instances, have done a surprisingly good job.

Mr. HORNER (*Acadia*): In connection with this question of Canadian content—and I have spoken to this at earlier meetings—is it the C.A.B.'s views that the B.B.G. should go ahead and increase its ruling next April from 45 per cent to 55 per cent?

Mr. JAMIESON: This is not at all our province. The B.B.G. has laid down the regulations, and we said at the time of the hearing that we were quite prepared to make every effort to make them work, and that still is our position.

Mr. HORNER (*Acadia*): You are not opposing this in any way, shape or form?

Mr. JAMIESON: We are not, at the moment. We have not been instructed by our membership or any segment thereof, to challenge any change.

Mr. HORNER (*Acadia*): Well, my views certainly are well known to this committee. This whole Canadian content is a bit of a hoax to me—and I am referring to the percentage. I think they could leave the percentage at 45 per cent and still require a greater number of enforcements here to increase the quality of the content. I was a bit surprised to find in the regulations that although the idea of Canadian content was to promote Canadian talent, the B.B.G. admitted, to some extent, they did not take talent into consideration but that it was just whether or not Canadian facilities were used to film and to project the program on the air. To me, this is not really promoting Canadian talent, and that is why I have come to the conclusion it is a rather fictitious figure to be floating around. Certainly, if the B.B.G. have to share in the responsibility of keeping some of these stations afloat, it is my opinion that they should go rather slowly in putting up this Canadian content figure, which would be rather difficult to enforce and rather vague, as well, in the enforcement of it.

Mr. JAMIESON: Of course, there are bound to be differences of opinion in this connection. I keep referring back to the act which, at the present time, sees the first words emphasized, "Canadian content", and it has been my contention all along that this, in itself, is going to accomplish very little. It may give a few second-rate piccolo players or a western band a job. The second word, to me, is the more important of the two; that is, in content, and I think this is the thing that is going to be more difficult to achieve.

Mr. HORNER (*Acadia*): Of Canadian characteristic.

Mr. JAMIESON: Yes. It includes the differentiation to which you have referred, that a studio production now, regardless of its character, is Canadian in content, but it may not be meeting the content of Canadian character.

Mr. HORNER (*Acadia*): That is exactly the way I feel.

Mr. McGRATH: I gather, from what you said, that it is a fair assumption that the 55 per cent Canadian content requirement is going to inflict a hardship on certain television stations in Canada which are, say, in marginal areas or in not very lucrative areas from a commercial revenue point of view. With that assumption, is it a fair statement to say that the second network could be a tremendous help in this regard in that a small station could take advantage of the accumulated resources of other stations across the country in fulfilling their Canadian content clause?

Mr. JAMIESON: Anything that tends to generate more Canadian programming is bound to be of value. A specific example, which is illustrative of the difficulty, is this: I operate a television station, which Mr. Pickersgill and Mr. McGrath well know, in Grand Falls. In the month of April we decided to see exactly what we would be able to do there. We pulled out all the stops, as it were, in terms of getting local programming. We utilized every single thing that we knew of that was available—church services, school choirs, individual singers, and so on. In addition to that, we provided many hours of programming for that station from St. John's through our own microwave connection which, again, was local production. We also are an affiliate of the C.B.C. network on that station, and carried not only option time programming, but virtually all of the other available material; so, this station had the benefit of three sources, if you like, of Canadian content, to the absolute limit. As a result of all this effort, we were able to get to only 51.3 per cent Canadian content. However, if you have a station on a network which does not have the benefit of a supply



from a larger center, it is very obvious, to me, at least, that to get 55 per cent it will have to be, in many instances, mediocre or just paying lip service to the regulation. It will not be because of no desire to reach this percentage, but the material is just not there.

Mr. McGRATH: What about this idea of taking British films as half Canadian content. Would this not allow you—

Mr. JAMIESON: Yes, with this exception—and I do not want to take up too much of your time; however, if you are an affiliate of the C.B.C. network, in many instances—and this applies particularly in eastern Canada—because of the time zone problem, there is not time available, literally, for the running of full motion pictures to any great extent, unless you wanted to put them on in the afternoon. However, in this way you merely add to your hours of operation, and so the percentage comes back to where you started.

Mr. PICKERSGILL: That is a very great problem, especially in Newfoundland, as it is one and one-half hours ahead of eastern standard time.

Mr. FISHER: In so far as your code of ethics is concerned, how many of your members have subscribed to it?

Mr. ALLARD: It is running, now, in the order of about 90 percent.

Mr. McGRATH: 90 per cent?

Mr. ALLARD: Yes.

Mr. FISHER: Has C.F.C.F., in Montreal, subscribed to it?

Mr. ALLARD: Here, in this regard, I would have to refer to the record; however, from memory, I would say it has not.

Mr. PICKERSGILL: You have no objection to giving a list of the black sheep?

Mr. ALLARD: I think we could do it more positively by providing the committee with a list of the white lambs.

The CHAIRMAN: And, you draw your own conclusions.

Mr. JAMIESON: It should be pointed out that C.F.C.F. is in the throes of getting started, and so on, and this very well could be true of many others in the remaining 10 per cent. I do not think this is a deliberate evasion. I am sure we will get awfully close to 100 per cent.

Mr. FISHER: I raised the question because of their news policy, and I was looking at your clause 5 in this respect. It did not seem to fit.

Clause 6 relates to controversial public issues. Mr. Pickersgill has been an advocate in the political arena, particularly in regard to the fact that the commercialization of political broadcasts could lead to very great difficulties in terms of political freedom and freedom of political ideas. Is that clear?

Mr. PICKERSGILL: No. I think I would rather put it myself, because I think my own proposition is more palatable to the Canadian association of broadcasters.

My view is that politicians should not be allowed to buy time on any station, but that a reasonable amount of free time, both during election campaigns and between elections, should be provided for politicians according to some formula which would be laid down either by parliament—which I think would be preferable—or by the B.B.G., but that the stations would be remunerated for that time. I do not think it should be like the free passes on the railways, which lately has been discussed.

Mr. HORNER (*Acadia*): Would it not be the same thing?

Mr. PICKERSGILL: It would be paid for out of our taxes instead out of the commercial funds.



Mr. JAMIESON: At least there would be the consolation that the station would get paid on all occasions.

Mr. PICKERSGILL: I hope that is not to be taken personally, Mr. Jamieson.

Mr. JAMIESON: I was about to say the problem usually generates with defeated candidates, and I am particularly safe in saying that, since all of you were successful.

Mr. LAMBERT: It is all very well to give freedom of expression, but is it necessary to hire a hall and pay the rent for it, as well?

Mr. JAMIESON: We, of course, never have considered this officially or in any way, I might say, and this is apropos of something I said earlier—the suggestion that rates were jacked up by private broadcasters for political broadcasts and this type of thing. It may be that in certain instances this does happen. However, I believe we did a survey as a result of this, and asked a number of stations what their policy was. Perhaps you could tell the committee what the finding was, Mr. Allard?

Mr. ALLARD: Very briefly, better than 98 per cent of private broadcasting stations charged for political broadcasts the same rates as they charged for comparable commercial services.

Mr. FISHER: Do they consider a locally advertised broadcast differently than a national one?

Mr. JAMIESON: Some candidates could be considered to be of national importance.

Mr. FISHER: If, two years after an election, we want to advertise a party locally, we can get seven spots for a certain price; however, once an election is declared, up go the rates.

Mr. ALLARD: If the time normally is paid for through the local association, this would be a local rate and, if bought by the national association, it would be a national rate.

Mr. JAMIESON: This is the same pattern that applies to all forms of time purchases. As well, I should say that a sizeable number of stations—and certainly in our case; Mr. Pickersgill and Mr. McGrath will be able to confirm this—also make available on an adequate basis a considerable amount of free time.

Mr. FISHER: In radio this applies, as well, up our way, but the only person who gets a free telecast—perhaps I should not mention this.

The question I wanted to ask in relation to Mr. Pickersgill's expression of views is in regard to the complaints that I hear at election time from people who listen to radio and watch television, and they say that there is too damned much political broadcasting on the air.

Mr. JAMIESON: I do not mind having the sins of the fathers visited upon me, but not the politicians'. It is up to the politicians.

Mr. FISHER: Would you object to a B.B.C. regulation that might require a fair apportionment of time, but would set limits?

Mr. JAMIESON: This is something for the parties to decide, and not for the stations.

Mr. LAMBERT: It is in the regulations now; there must be a proper balance.

Mr. FISHER: Between parties, yes.

Mr. LAMBERT: In program content, as well. It is only that the high rate of concentration on political talks or TV programs comes on the eve of elections.

Mr. ALLARD: It is only an equitable distribution as between the parties or candidates. There is no provision that it be 4 per cent of the over-all programming content.

Mr. FISHER: I would like to know where the C.A.B. stand in connection with this whole question of editorial comment and editorial opinion, and how they feel this can be best achieved?

Mr. JAMIESON: I can answer that, in part. Of course, the C.A.B., as an organization, is made up of people with a great variety of views, some of whom believe in editorializing, and others who do not. Therefore, as an organization, we do not have a policy which says you shall or shall not editorialize. However, we do have difficulty. Our code of ethics—and it is generally understood by our membership—has a provision that if there is editorializing, then there must be a full opportunity given for an expression of all points of view. As an individual, I believe in editorializing. I think it is an important function of broadcasting and, personally, I encourage it at every opportunity.

Mr. FISHER: Is the C.A.B. providing broadcasting facilities for these Canadian chamber of commerce three-minute or five-minute shows one hears on private stations?

Mr. JAMIESON: No more than it is offered to anyone else. The C.A.B. does not enter into this at all. The chamber of commerce, just as the Red Cross, provides programming for the station. It is up to the individual operator to decide whether he wishes to use it or not.

Mr. FISHER: Does the C.A.B. prepare this Canadian chamber of commerce material?

Mr. JAMIESON: We do not. We have no liaison of any sort.

Mr. FISHER: You do not distribute it for them?

Mr. JAMIESON: No.

Mr. PICKERSGILL: I would like to ask a general question: Am I not correct in saying that the C.A.B. does not produce any kinds of program at all?

Mr. JAMIESON: Only through our radio bureau, for those members of parliament who wish to take advantage of it through stations that subscribe.

Mr. PICKERSGILL: That is what I thought.

Mr. JAMIESON: I should say, as I mentioned a few moments ago, that we are very actively working on the program exchange idea. It seems to me there is a frightful waste of program material in this country, because it does not get exposure on more than the one station in which it originates. There are many stations which could use it. Again, I would refer to my station and, as Mr. Pickersgill and Mr. McGrath will confirm, there are many programs we do that should be exposed elsewhere.

Mr. FISHER: Is anything being developed by the private stations in the news field? As an example, I would like to mention one of the stations here in Ottawa, one in Toronto and one in Montreal. They show a great deal of initiative in this regard. They phone anywhere in the world, and they will send people out to anywhere in the world for news. They always are popping up with broadcasts from the darndest places, and when I compare this with what seems to be the average, it seems to be exceptionally well done and well presented. Is there any attempt made by the C.A.B. to integrate this kind of thing so that all parts of the country could have the advantage of these special interviews?

Mr. JAMIESON: This is part of this program exchange idea. However, it is more properly the function of a news agency and, as I suggested, you may be interested to know that only Monday of last week, through *Broadcast News*, which is the broadcasting arm, if you like, of Canadian press, a system of daily voice reports is being made available to private stations all across the country. This will represent about 20 to 25 different items and a number of them originated right here in Ottawa.



Mr. FISHER: There is one last question which I should like to put. In reading through the material you presented to this committee, and also to the B.B.G., it seems to me you hold there is a big difference between what the Canadian people ought to listen to and watch and what they actually do listen to and watch. In other words, you have the conflict between the ideal world and the real world, but it seems to me generally you come down on the side of the real world. That is the way people are, and you give them what they want.

Mr. JAMIESON: Again you open up a whole wide field and I shall attempt to be as brief as possible. I hope this committee will do us the honour of recognizing that broadcasters are just as you are, responsible Canadians, and for that reason we want the same things for this country as you do and as every average responsible citizen wants. I personally have been involved in this for 20 years and have attempted to study the matter. I have tried to figure out just what my responsibilities are. You must ask yourself: "do you really have the right, as an individual, to decide what you are going to create is what the public ought to have?" This is a very soul searching kind of questioning because you could well wind up in deciding that what your feelings are should be the feelings of Canadians generally.

I shall give you one example. Talking about money, we spent a sizable amount of money three weeks ago to produce a 90 minute drama, possibly the most ambitious undertaking of its kind by a single station. We worked in cooperation with the university and the first problem which arose was what kind of drama we would produce. We asked ourselves: if we do the same type of drama normally shown on the air will we accomplish anything? The end result was that we chose a classic, and we wound up by being criticized by the minority because they said it was a very bad presentation and a bad choice. We were criticized by the majority because we preempted *Naked City*, and *Dennis the Menace*, in order to put it on, and despite an expenditure of \$3,700 we wound up by pleasing no one. Even the cast were terribly disappointed because they got such a bad reaction.

I give this example to show the tremendous size of the problem, and I would invite any member of the committee to come in and run a television station or radio station for a month to see the problems involved. It is not crass commercialism. It is sociological, educational problem concerning the public attitude, but I had better stop before I start making a long speech.

Mr. PICKERSGILL: I was going to say Mr. Jamieson is getting on to very dangerous grounds.

Mr. FISHER: There is a current discussion in the United States on this very subject, and the *Globe and Mail* has printed a series by H. Carlton Green, and one of his headings dealt with the subject "television undermines constant viewers intelligence". Are you suggesting some kind of audience research?

Mr. JAMIESON: There are two ways of doing this. One is audience research before the fact rather than after the fact. Ratings merely tell you what happened, and if you have made a mistake there is no way it can be corrected. At the moment, the C.A.B. is working closely with B.C. university in order to get some indication of what the public wants. Basically, to give you a whole answer, I think it is a matter of education. I believe there is much to do in this regard and I think it applies to schools, universities, and educational institutions of various kinds.

The CHAIRMAN: May I ask have we finished with the C.A.B. now?



Mr. PICKERSGILL: I think we should be very grateful to Mr. Jamieson. He never seemed stumped by a single question.

The CHAIRMAN: Then, I have to present a report to the steering committee possibly around Wednesday.

Mr. FISHER: There is one other point. Did you talk about "Canadian talent" versus "Canadian production" this morning?

The CHAIRMAN: No.

Mr. HORNER (*Acadia*): It was mentioned later this afternoon.

Mr. FISHER: Did you not want the word "production" substituted for "talent"?

Mr. JAMIESON: In a different context to that used by Mr. Horner.

Mr. FISHER: You are satisfied with what you presented previously?

Mr. JAMIESON: Yes.

The CHAIRMAN: Then, all that remains for me to do is thank the witnesses.

## APPENDIX

June 19, 1961.

Dr. G. C. Fairfield,  
Chairman,  
Parliamentary Committee on Broadcasting,  
House of Commons,  
Ottawa, Ontario.

Dear Dr. Fairfield:

May I express the appreciation of the Corporation for the privilege of commenting on the effects of a change in Section 13 (4) (b) of the Broadcasting Act as suggested to the Committee by the permanent members of the Board of Broadcast Governors.

This suggestion, which involves the "splitting" or crossing of networks, has been studied in detail on several occasions by the full Board of the Corporation.

The Committee will recall that the CBC Board is already on record as opposing any suggestions which would result in network splitting, having stated this in its first submission to the Committee many weeks ago.

The Corporation is strongly against the suggestion made by Dr. Stewart on the grounds that in essence it proposes a fundamental change in the responsibility and authority of the national broadcasting service as provided by Parliament.

The Corporation believes firmly that such a change is not only unnecessary to achieve the ends sought by Dr. Stewart but might well prove unwise.

At best the proposal involves a serious gamble with the future of the national broadcasting service as the price of providing expanded distribution of some second network commercial programs by means of micro-wave. These programs, with a few exceptions, can be successfully distributed by other technical means, such as video tape—and little or no threat to the established public service is involved.

Consequently, the Corporation must disagree vigorously with the suggested changes in the legislation.

Three significant changes have been proposed by Dr. Stewart:

1. "The Chairman of the Board or his representative" is substituted for "the Board" as the authority that may grant or revoke the permission therein set out.

The Corporation has no comment other than to observe that this provision would constitute the only instance in the statute where the BBG Chairman would be accorded powers, in a vital area of broadcasting, equivalent to those required to be exercised by the Board or the executive committee of the Board assuming there were a proper delegation in that behalf pursuant to subsection 3 of section 9. We have noted the statement of Dr. Stewart on page 867 of the committee minutes accepting a suggestion for modifying the time factor.

2. The limitation period of one month is expanded to six months.

This would enable the BBG Chairman or his representative to authorize one or many stations affiliated with one network to be associated with a second network *without a public hearing and without consultation with the parent network*. Under such circumstances it could be possible for such a hookup to be authorized and unwittingly be of disservice to the industry or the public interest because there was no procedure which would guarantee all factors being brought out for consideration.

Under the present wording of 13 (4)(b) there is a double safeguard against such a possibility because it requires a decision of the Board, the regulatory body, and the CBC, the national operating body. The public interest is thus well served.

3. The grant of permission is made "subject to the conditions of the affiliation between the licensee and the operator of such other network" in substitution for "the consent of the operator of such other network".

It is this suggested change which could seriously affect the national service and also bring about a change in the role of the BBG.

The Corporation is charged directly by Parliament with operating a national broadcasting service.

It is important to note that Parliament did not provide CBC with enough stations of its own to carry out this mandate.

Consequently, it is necessary for the Corporation to depend heavily on the use of a good many private stations for the distribution of national service programs.

This access to the facilities of privately-owned affiliates was and is so vital to the national service that legislative authority to maintain and protect it was given the Corporation by Parliament under the Broadcasting Act.

Under Section 29 (1)(a) of the Broadcasting Act, Parliament gave CBC the power to "maintain and operate broadcasting stations and networks of broadcasting stations". This power, and associated responsibility, to operate and maintain networks can become meaningless unless CBC retains the authority to carry it out.

That authority is contained in but one section of the Act—Section 13 (4)(b). This section requires consent by the CBC to release of an affiliate to another network.

If this section is changed in the manner suggested CBC would be in the incongruous position of being directly charged with a responsibility by Parliament without the necessary authority to carry it out. Responsibility without authority is meaningless.

Briefly, the suggestion would transfer an essential operating authority from the national operating body to the national regulatory body.

In the Corporation's view, this change would eventually have a deleterious effect on the national service and bring about a change in the role of the BBG.

The BBG would necessarily become closely involved in operations, a role neither envisaged in the Broadcasting Act nor by the BBG in interpreting its role under the Act.

The change has been suggested by the BBG because it wants to encourage the use of those worthwhile Canadian programs which may be produced by the Caldwell TV network, by as many stations as possible within Canada.

There is complete agreement between the CBC and the BBG on that point.



The Corporation differs with the BBG only on the manner in which this program distribution can best be carried out.

Even here, the area of differences of opinion is small, but vital to the national service.

To carry out its mandate from Parliament the Corporation requires ready and assured access to the facilities of its affiliates at all times. The success of the national service depends on more than a certain number of program hours provided under contract by the CBC to its affiliates. It demands also the ability to clear the networks quickly and easily for an event of national importance, or perhaps an event of national interest. It is the ability to assure a Canadian sponsor that network time is available on *all* of the network stations for a series of programs. It is the ability of CBC to assure the privately-owned basic affiliates that they will—or even can—be sold at all times as an integral part of the national service network. It is also the ability of the affiliate to seek and obtain clearance from the CBC network service on occasions of special local significance.

The national service is a two-way street that has thrived and survived because it is flexible and can move quickly to meet any need. And this flexibility must extend outside the fixed hours of reserved time—if the national purpose is to be met and adequately served.

The introduction of what is in effect reserved time for a second network would seriously reduce or destroy this flexibility. A commercial agreement signed by just a single CBC affiliate with the second network today can block the distribution of a national program tomorrow.

If the second network should only want ten of CBC's 46 affiliates for a certain program, what happens to the other 36? Or perhaps they might want only 3, or 12, or 15, or 30. If so, where is the national service network the country has spent so many years building?

In brief, the flexibility of the national service depends on the availability of instant live connection with all the stations along the national networks. The Corporation believes nothing should be allowed to stand in the way of this need.

How, then, can the needs of the national service, as expressed above, be reconciled with the desirability of gaining additional Canadian distribution for the Canadian programs of the Caldwell, or second, network.

The Corporation believes that television recordings, or video tape, provide the answer to perhaps 95 percent of the problem.

Most programs to be produced by the second network could be distributed to and broadcast over CBC affiliated stations by means of tape.

The CBC network affiliated stations could schedule these programs in their own local time. If the national service required their facilities the tape program could be re-scheduled at a moment's notice. A program fed by micro-wave could not. It would either block the national service or be lost.

About the only programs that would require live transmission by the second network would be sports events and there are but a handful of these involved.

The question then becomes one of whether, through the suggested change in the legislation, Parliament would wish to in any way jeopardize the operations of the national service so that the second network might gain additional distribution for a sports event. Further keeping in mind there would be no assurance that distribution would be any wider than that desired by the sponsor and this could be very limited.

The Corporation believes that even this one remaining problem may be worked out under the legislation in its present form through consultation between the BBG, the CBC and the Caldwell Network.

To sum up, the Corporation feels that the suggested change in legislation could (1) destroy the flexibility of the national networks, (2) reduce the distribution of national service programs not in reserved time, (3) reduce the commercial revenue of the Corporation and perhaps many of its affiliates through blocking distribution and thus ending certain sales opportunities, (4) divide national service loyalties, (5) create ad hoc commercial networks with the benefits of networks but none of the responsibilities, (6) eliminate the only legislative authority available to the Corporation in carrying out its Parliamentary mandate.

Over the years, in radio and in television, the Corporation has made every effort to maintain the national broadcasting service desired by Parliament with only the minimum number of its own essential stations. If the national service is deprived of access to its affiliates, in whole or in part, it will become imperative that the Corporation re-examine its position in relation to the public interest. Additional CBC-owned stations might well become a public necessity.

The suggested legislation could force the Corporation into a position where it would have to compete with another network for the time of its own affiliates. It is difficult to see how this could serve the public interest.

Such a development would not entail competition—as competition is generally understood. If equal responsibilities were involved then there might be a valid basis for considering such changes. But the responsibilities of CBC and the second network, CTV, are not equal.

The CBC is an instrument of national purpose—the CTV of commercial purpose. In this instance they are not one and the same.

Finally, it may be of interest to the Committee to know that the Corporation has been supported by its Network Advisory Committee (which includes representatives of all the affiliated privately-owned television stations) in its stand against network splitting.

The Committee may wish to consider this along with a return filed by the Corporation on May 23 concerning 1961 football telecasts and which on page 6 contains a section on network splitting.

Yours sincerely,

(Signed) J. A. OUIMET,  
*President.*













HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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SPECIAL COMMITTEE ON

# BROADCASTING

*Chairman:* MR. GEORGE C. FAIRFIELD

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 32

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MONDAY, JUNE 26, 1961

TUESDAY JUNE 27, 1961

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INCLUDING THIRD AND FINAL REPORT TO THE HOUSE

ROGER DUHAMEL, F.R.S.C.

QUEEN'S PRINTER AND CONTROLLER OF STATIONERY

OTTAWA, 1961

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Mr. George C. Fairfield

*Vice-Chairman:* Mr. Laurier Regnier

and Messrs.

Aitken, Miss	Horner ( <i>Acadia</i> )	Pickersgill
Allmark	Keays	Pratt
Baldwin	Lambert	Pugh
Caron	Macdonnell	Richard ( <i>Ottawa East</i> )
Casselman, Mrs.	MacEwan	Robichaud
Chatterton	McCleave	Rouleau
Creaghan	McGrath	Simpson
Danforth	McIntosh	Smith ( <i>Calgary South</i> )
Fisher	McQuillan	Smith ( <i>Simcoe North</i> )
Forgie	Mitchell	Tremblay
Fortin	Morissette	Webb

(Quorum 10)

Antoine Chassé,  
*Clerk of the Committee.*

## ORDER OF REFERENCE

WEDNESDAY, February 1, 1961.

*Ordered*,—That a Special Committee be appointed on Broadcasting to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records;

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the Committee shall consist of 35 members;

That Standing Orders 66 and 67 be suspended in relation thereto.

Attest.

LÉON-J. RAYMOND,  
*Clerk of the House.*





## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 253-D.  
MONDAY, June 26, 1961.

(42)

The Special Committee on Broadcasting met *in camera* at 4.00 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, and Messrs. Danforth, Fairfield, Fisher, Horner (*Acadia*), Macdonnell (*Greenwood*), MacEwan, McGrath, Mitchell, Regnier, Robichaud, Smith (*Calgary South*) and Webb.—(13).

The Committee considered a draft report to be presented to the House.

The Preamble thereof and recommendations 1(a), 1(b), 1(c), 1(e), 2(b), 2(d), 2(e), 2(f), 2(h) and 4 were severally considered, slightly modified and finally adopted.

After consideration given thereto the following recommendations were stood over for redrafting, namely:

1(d), 2(a), 2(c), 2(g), 3, 5, 6, 7, 8 and 9.

At 6.00 o'clock p.m. the Committee adjourned to the call of the Chair.

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Room 238-S.  
TUESDAY, June 27, 1961.  
(43)

The Committee met *in camera* at 2.30 o'clock p.m. The Chairman, Mr. George C. Fairfield, presided.

*Members present:* Miss Aitken, Mrs. Casselman, and Messrs. Baldwin, Creaghan, Danforth, Fairfield, Forgie, Keays, Macdonnell (*Greenwood*), MacEwan, McCleave, McQuillan, Regnier, Tremblay, Webb.—(15).

The Committee resumed from Monday, June 26th, the adjourned consideration of a draft report to be presented to the House.

Recommendation 1(d) as redrafted was discussed at length.

Mrs. Casselman moved, seconded by Mr. Webb, that the said recommendation be adopted.

And the question having been put on the proposed motion of Mrs. Casselman, it was, on a show of hands, resolved in the affirmative on the following division: Yeas, 8, Nays, 3; abstention, 1.

Recommendations 2(a), 2(c) and 2(g), as redrafted, were severally considered and adopted.

Redrafts of recommendations 3, 5, 6, 7, 8 and 9 were severally considered, modified again and finally adopted.

On motion of Miss Aitken, seconded by Mr. MacEwan the said Report was adopted and the Chairman ordered to present same to the House as the Third and Final Report of the Committee.

At 4.20 o'clock p.m. the Committee adjourned *sine die*.

Antoine Chassé,  
Clerk of the Committee.



## REPORT TO THE HOUSE

WEDNESDAY, June 28, 1961.

The Special Committee on Broadcasting has the honour to present its

### THIRD AND FINAL REPORT

By a resolution passed by the House on Wednesday, February 1st, 1961, the Committee was appointed "to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records".

The Committee having taken into account the vast scope of its term of reference, and with due regard to the time at its disposal and to commitments of other committees, resolved at the outset to restrict for a time its public hearings to the audition of testimony by witnesses representing the three main bodies virtually entrusted with radio and television broadcasting service in Canada, as defined in Section 10 of the Broadcasting Act, 1958, namely:

1. The Board of Broadcast Governors, which is the regulating body;
2. The Canadian Broadcasting Corporation, which, as a Crown company, is charged with operating a national broadcasting service, as defined in Section 29 of the said Act.
3. The Canadian Association of Broadcasters which, with its large station membership, complements in a way the mandate of the Canadian Broadcasting Corporation.

As the proceedings advanced this decision was affirmed, except that it was agreed to hear Mr. A. M. Henderson, in his dual capacity of Auditor General and Auditor of the Canadian Broadcasting Corporation.

On the advice of its Subcommittee on Agenda and Procedure, the Committee further agreed to divide its work into two parts:

*Firstly:* To review the *Broadcasting Act, 1958*, in consultation with officials of the Board of Broadcast Governors, the Canadian Broadcasting Corporation and the Canadian Association of Broadcasters with a view of recommending if and where indicated, changes intended to bring clarity and improvement to the Act.

*Secondly:* To inquire into the operations of the Canadian Broadcasting Corporation and the Board of Broadcast Governors, and to secure the views of the Canadian Association of Broadcasters in these matters.

The Committee held its first meeting on Thursday, February 9, 1961, when only routine matters were dealt with.

Between February 13th and June 27th, forty-two meetings were held at which considerable evidence was collected and discussed, as is reflected in

approximately 1,000 pages of printed evidence, in addition to a large amount of other material placed before the Committee. In the attached appendix are listed—

- (a) the names of the witnesses heard;
- (b) the material filed but not printed;
- (c) the names of those associations, national or otherwise, who have submitted written representations in the form of briefs or letters.

Your Committee is grateful to Dr. Andrew Stewart, Chairman, and his associates of the Board of Broadcast Governors; to Mr. J. Alphonse Ouimet, President and his aides of the Canadian Broadcasting Corporation; also to Messrs. Murray Brown, Jim Allard and Don Jamieson of the Canadian Association of Broadcasters, and to Mr. A. M. Henderson, the Auditor General, for their full cooperation and for making available to the Committee all the information requested.

With a membership at the start of 35 members a few replacements were made from time to time. However, it may be well to underline the fact that of the 35 members originally named to the Committee 27 still formed part of the membership at the conclusion of the inquiry. This fact is being stressed to indicate that the observations and opinions, as expressed in the recommendations contained hereinafter, are those of members well-informed in the matters discussed in the course of the forty-three well attended sittings of the Committee.

The Committee, therefore, having carefully considered all the evidence before it, begs leave to submit to the House of following recommendations:

1. That the following amendments be made to the Broadcasting Act, 1958:

- (a) Delete the last eight words of subsection (2) of Section 6, reading as follows: "while away from his ordinary place of residence".
- (b) Delete that portion of subsection (1) of Section 12 which follows immediately after paragraph (b) thereof and substitute therefor the following:

refer the application, regulation or change of regulation to the Board, and the Board shall give public notice thereof in the Canada Gazette and such other notice as the Board may deem advisable in the public interest, and shall make such recommendation to the Minister of Transport as it deems fit.

- (c) Insert at the end of the existing subsection (5) of Section 12 the following words: and with such conditions, if any, as may be contained in the recommendation of the Board.

- (d) (i) Delete (a) in the second line of subsection (4) of Section 13, so that the said subsection shall now read:

(4) The Board may after it has held ... etc.

- (ii) Delete paragraph (b) of subsection (4) of Section 13 and substitute therefor a new subsection as follows:

(5) The Chairman of the Board or his representative may grant or revoke permission to a licensee to operate the broadcasting station in respect of which his license was issued as part of any network for the broadcasting of a particular program or series of programs extending over a period not exceeding two months, but if the broadcasting station is operated as part of

another network, no such permission shall be granted except subject to the conditions of affiliation between the licensee and the operator of such other network.

(iii) Present subsection (5) to become subsection (6) of Section 13.

(e) Insert after the words "a Canadian citizen" or "Canadian citizens", wherever they appear in Section 14 of the Act, the following: ordinarily resident in Canada.

2. That the Act be further amended to provide:

- (a) for the inclusion of the Canadian Broadcasting Corporation within the meaning of "licensee" under the provisions of paragraph (e) of Section 2.
- (b) under subsection (2) of Section 3, for the term of office of members of the Board of Broadcast Governors to be on a rotating basis.
- (c) for the removal or easing off of the existing provisions of subsections (6) and (9) of Section 3, which prohibits the appointment to the Board of Broadcast Governors of a person who has any pecuniary interest in the manufacture or distribution of radio apparatus. The Committee is of the opinion that the present provisions are too strict in that they rule out for appointment to the Board a great many Canadian citizens owning shares in companies not primarily engaged in the merchandising and distribution of radio and TV apparatus.
- (d) For the Board of Broadcast Governors to consider giving such other notices it may deem advisable in the public interest, in addition to the notice in the *Canada Gazette* as presently provided for in subsection (2) of Section 11 of the Act. (*See amendment to subsection (1) of Section 12 in recommendations 1. (b) hereinbefore.*)
- (e) In subsection (3) of Section 12 and subsection (5) of Section 13, for hearing interested parties other than those for which provision is already made.
- (f) In Section 14, subsection (2) that it shall be a condition under any licence issued under Section 12 that the licensee during the currency of such licence shall continue to meet the requirements of subsection (1).
- (g) That under Section 15 of the Act, where a licence has been suspended, reinstatement without full Board hearings may be made on the licensee having satisfied the Board that he has purged himself of those offenses which brought on the suspension. Also, wherever a suspension of licence has been ordered, a reference may be made on the questions of fact to the Exchequer Court of Canada.
- (h) Some redefining of paragraph (b) subsection (1) of Section 17 so that municipal elections would not prohibit political broadcasts on provincial or federal levels, where, in the opinion of the Board of Broadcast Governors, they would have no effect.

3. That the number of directors of Canadian Broadcasting Corporation be increased from 11 to 15 for the purpose of assuring adequate representation to the French language network. That the directors be appointed on a rotating basis and a chairman be named from among their numbers by the Governor-in-Council for a period not to exceed five years. Further, that no executive officer or other employee of the Corporation be a director of the Corporation.



4. That the Governor-in-Council consider the expediency of making reference to the Supreme Court of Canada for the purpose of determining:

- (i) the constitutional jurisdiction of the Parliament of Canada to as to those means of electronic communication known as wired systems;
- (ii) and, in the affirmative, whether such wired systems are covered by the word "broadcasting" as presently defined under paragraph (b) of Section 2 of the Broadcasting Act, 1958.

5. That the Government consider the advisability of a reference to the Standing Committee on Privileges and Elections to consider the provisions of the Canada Elections Act, relating to political broadcasting and to further examine the existing provisions of paragraph (d), subsection (1) of Section 11 of the Broadcasting Act, 1958, and the regulations of the Board of Broadcast Governors made thereunder.

6. That following a review of the Glassco Royal Commission's Report consideration be given by the Board of Directors of the Canadian Broadcasting Corporation to the advisability of commissioning management consultants to inquire further into the operation of the Canadian Broadcasting Corporation.

Your Committee commends the caution of the Board of Directors in its policy towards large capital investments at this time in Montreal, Toronto and Ottawa. Your Committee recommends that this course be pursued until all studies and investigations are completed. Furthermore in view of the continuing and rapid changes in broadcasting, your Committee recommends the projected 5 year-plans be reviewed annually.

7. The attention of the Committee has been drawn to the high inventories of films held by the Canadian Broadcasting Corporation. The fact that there are film departments in six centres of programming throughout the Corporation, points toward a decentralizing action of purchase which may have affected the great increase in these inventories. It is, therefore, recommended that all purchases of films and rights be centralized at headquarters.

8. There is evidence to indicate that the supervision and control of scripts and programming has not reached the levels envisaged in the recommendations made by the Broadcasting Committee of 1959. This Committee, in turn, recommends that every effort be made by the Canadian Broadcasting Corporation to exert a stricter control in this field of public information and entertainment.

9. The Corporation has had under study for some years the discontinuance of the Dominion network, and the Broadcasting Committee of 1959 so recommended. Your Committee recommends that this be carried out, with due regard to any areas which now receive CBC service only through this radio network.

A copy of the printed Minutes of Proceedings and Evidence is tabled herewith.

Respectfully submitted,

GEORGE C. FAIRFIELD,  
*Chairman.*

## APPENDIX

to

Third and Final Report to the House

by

The Special Committee on Broadcasting

1960-1961

## LIST OF WITNESSES HEARD

*From the Board of Broadcast Governors:*

Dr. Andrew Stewart, Chairman  
Mr. Carlyle Allison, Vice-Chairman  
Mr. W. C. Pearson, Counsel

*From the Canadian Broadcasting Corporation:*

Mr. R. L. Dunsmore, Chairman of the Board of Directors  
Mr. J. Alphonse Ouimet, President  
Captain W. E. S. Briggs, Vice-President  
Mr. R. C. Fraser, Vice-President, Corporate Affairs  
Mr. Marcel Carter, Vice-President, Administration  
Mr. E. S. Hallman, Vice-President, Programming  
Mr. J. P. Gilmore, Vice-President, Engineering and Operations  
Mr. Marcel Ouimet, General Manager, Network Broadcasting (French)  
Mr. H. G. Walker, General Manager, Network Broadcasting (English)  
Mr. A. H. M. Laidlaw, General Counsel  
Mr. C. B. McKee, Director of Industrial and Talent Relations  
Mr. W. G. Richardson, Director of Engineering  
Mr. O. J. W. Shugg, Director of Sales and Policy Planning  
Mr. W. R. Johnston, Co-ordinator of Sales Policy

*From the Canadian Association of Broadcasters:*

Mr. Murray Brown, President  
Mr. Ralph Snelgrove, Vice-President (radio)  
Mr. T. Jim Allard, Executive Vice-President  
Mr. Don Jamieson, Member of the Executive Committee  
Mr. D. M. Neill, Immediate past President

*From the Auditor-General's Office:*

Mr. A. M. Henderson, Auditor-General  
Mr. A. B. Stokes, Supervisor

## LIST OF MATERIAL FILED BY C.B.C. BUT NOT PRINTED

1. Broadcasting Act, 1958;
  - (a) Regulations (Radio), and
  - (b) Regulations (Television) made thereunder;
2. Radio Act and Regulations made under Part I and Part II thereof;
3. Canadian Broadcasting Corporation Annual Report, 1959-1960;
4. CBC Television Network Affiliation Agreement;
5. CBC Rates Cards, 1st July 1960;

6. Maps prepared by the CBC Engineering Division, Montreal, (Transmission and Development) showing:

- (a) Trans-Canada Network Sound Broadcasting Stations and Dominion Network Sound Broadcasting Stations.
- (b) French Network Sound Broadcasting Stations,
- (c) Television Broadcasting Stations—English Network,
- (d) Television Broadcasting Stations—French Network.

7. Weekly Television Digest, 1961, Supplement No. 6, containing addresses by Mr. Newton N. Minow, Chairman, FCC (U.S.A.) and by Mr. LeRoy Collins, President, National Association of Broadcasters (U.S.A.)

#### LIST OF BRIEFS AND COMMUNICATIONS RECEIVED BUT NOT PRINTED

Board of Broadcast Governors  
 Canadian Broadcasting Corporation  
 Canadian Association of Broadcasters  
 Canadian Federation of Agriculture  
 Czechoslovak National Association of Canada, Toronto  
 National Educational Television Conference, Toronto  
 Canadian Council of Authors and Artists, Ottawa  
 The Maritime Federation of Agriculture, Moncton  
 Mutual Co-Operation League, Voice of Freedom, Toronto  
 Mr. H. A. Morton, Gladstone, Man.  
 Mr. William A. Clapham, Pullman, Wash., U.S.A.  
 Miss Freda F. Waldon, Hamilton, Ont.  
 Saskatchewan Association for Adult Education, Regina, Sask.  
 Mr. J. Redard, Fort William, Ont.  
 Association of Canadian Television Artists, Vancouver, B.C.  
 Ubsdell Printing, Fredericton, N.B.  
 Mr. Blair Baillie, West Vancouver, B.C.  
 Professor Ian S. McNairn, Vancouver, B.C.  
 Mr. M. Sinclair, Hearst, Ont.  
 Mr. Ernest Lowry, Toronto  
 Mr. Warwick Webster, Orillia, Ont.  
 Greer Bros., Vancouver, B.C.  
 Mr. Graham Spry, London, England  
 Finlay MacDonald, Station CJCH, Halifax, N.S.  
 Composers, Authors and Publishers Association of Canada, Limited, Toronto, Ont.  
 National Community Antenna Television Association of Canada, Toronto, Ont.  
 Mr. I. Switzer, Southern Alberta Television Ltd., Estevan, Sask.  
 National Community Antenna Television Association of Canada, Toronto, Ont.  
 The Bell Telephone Company of Canada, Montreal, Que.  
 Canadian Development and Investment Co., Montreal, Que.  
 RWD TV Limited, Toronto, Ont.  
 CFRA, Ottawa, Ont.  
 Community Arts Council, Vancouver, B.C.













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